Conquer Cancer through AI

2024 1Q, 30 Latest

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	Joining the AI Bank consortium to enhance B2C sales channels for Lunit INSIGHT and Lunit SCOPE: Collaborative development of insurance programs with Hyundai Marine & Fire Insurance and leveraging AI Bank's sales networks
	Secured New Zealand high court patent regarding Lunit INSIGHT CXR's medical device software
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1. Highlights

1Q Highlights

1. Sales exceeded KRW in 2023, but year on decrease in operating loss
2. Supply contract for Lunit INSIGHT CXR with Samsung, securing a minimum of $3.3M over a three year period
3. Lunit INSIGHT MMG received the highest study of 7 global clinics X-ray AI analysis solutions in Radiology (Impact Factor: 15.7)
4. Presentation of 7 abstracts (Lunit INSIGHT) at AACR 2024
5. Signed a business partnership with Gleneagles Hospital in Singapore, the leading healthcare group in Southeast Asia

2. Major Activities

(1) Sales Performance

Sales exceeded $30M in 2023, YoY 80.9%, Last the first year of a decrease in operating loss compared to previous year

(2023.4Q Lunit Unexpectedly referred to as "the Company") recorded its highest quarterly revenue since its inception, with sales of KRW 30.2B (YoY 80.9%). The revenue increased 80.9% and operating loss decreased 24.7% compared to previous year. 2023 was the first year that marks a decrease in operating loss. 80% of the revenue was from overseas markets, including the U.S., Europe, and Asia-Pacific global sales. The growth includes contracts signed for Lunit INSIGHT CXR's at-home expansion in both B2B and B2C markets for Lunit INSIGHT, and research revenue from Lunit SCORE.

(2) Contract

Supply contract for Lunit INSIGHT CXR with Samsung: Secured minimum $3.3M over three year period

(2023.4Q The Company has announced a three year supply contract with Samsung Electronics (Samsung Healthcare), guaranteeing a minimum of $3.3M (Million) over the contract period. Under the agreement, the company will provide Samsung Healthcare with its AI medical imaging solution, Lunit INSIGHT CXR, and the client is the AI image analysis and the Lunit INSIGHT CXR Triage for automatic classification of emergency illnesses. These AI solutions will be integrated into Samsung Healthcare's X-ray equipment, and Samsung Healthcare will be collaborated between the Company and Samsung Electronics is expected to make faster and more accurate chest screenings, significantly enhancing global market penetration.

Supply Contract with U.S. Stream Specialized Medical Institution, Mount Sinai Imaging (MSI): Advancing into the U.S. Market

(2023.4Q The Company has announced a supply contract with Mount Sinai Imaging (MSI), a specialized medical institution located in the U.S. Under the agreement, including the supply of Lunit INSIGHT CXR and Lunit INSIGHT MMG, starts the Company's first U.S. contract following FDA clearance of Lunit INSIGHT CXR in December 2023. The Mount Sinai Imaging (MSI) provides comprehensive imaging services, including high satisfaction ratings from its patients. We are thrilled that MSI, recognized for its expertise in 3D breast cancer screening, has selected Lunit INSIGHT MMG for its breast cancer screening. This marks our entry into the U.S. market, and we are committed to enhancing our services based on this new partnership.

Partnen with Gleneagles Hospital Singapore for Lunit INSIGHT MMG: Expands AI medical imaging solutions in East & Southeast Asia

(2023.4Q The Company has announced a supply contract with Gleneagles Hospital Singapore for its AI powered mammography analysis solution "Lunit INSIGHT MMG". Gleneagles Hospital Singapore is a leading healthcare group in Asia with over 100 years of history. With Southeast Asia's largest medical group, leads private healthcare service across the region, operating more than 30 hospitals in Malaysia, Hong Kong, Indonesia, and Singapore. Under the agreement, the Company will provide Lunit INSIGHT MMG, Lunit's AI powered mammography analysis solution, to Gleneagles Hospital Singapore, which is the largest medical group in Southeast Asia. This contract is the first in Singapore, a key strategic market for the Company, and is expected to enhance the Company's AI medical imaging solutions in East and Southeast Asia markets.

Supply contract with TeleDiag in France for Lunit INSIGHT CXR : Proven robust technical performance among global competitors

(2023.4Q The Company announced a new supply contract with TeleDiag, France's leading teleradiology company, for its AI solution, Lunit INSIGHT CXR. Under the agreement, TeleDiag, has founded in 2008 by French doctors to address medical inequality among the underserved through digital remote technology and help them access healthcare anywhere in the world, will integrate Lunit INSIGHT CXR into their cloud-based PACS platform and deploy it across their network of hospitals and clinics. Since 2021, TeleDiag has analyzed over 1 million patients annually, the collaboration represents a significant leap forward in expanding access to high-quality diagnostic imaging in underserved areas. The client chosen Lunit under TeleDiag's thorough evaluation of multiple AI solutions for chest X-rays. Lunit emerged as the top choice due to its robust technical performance and its wide range of findings.

2. Research

2Q Academic Society

SCR 2024 - Presents 7 abstracts (Lunit INSIGHT) includes study result that highlights Lunit INSIGHT's adaptability to different user cases and potential replacement of human reader

(2024.5Q The Company presented 7 abstracts highlighting the Lunit INSIGHT suite of AI solutions at the Society for Chest Radiology (SCR) 54th Annual Conference in Washington (5/23-5/25). One of the studies utilized Lunit INSIGHT CXR, which retrospectively analyzed 10,980 chest radiographs to evaluate its AI model's performance in detecting 5 critical findings (nodule, mass, pneumothorax, pleural effusion, and fibrosis). The study demonstrated that Lunit INSIGHT CXR's high sensitivity could be approached for emergency findings like pneumothorax. Meanwhile, a high specificity is preferable to rings more suitable for screening applications. The study underscored how Lunit INSIGHT CXR's adjustable sensitivity and specificity is a key advantage, allowing it to be tailored to various clinical scenarios. The other six studies explored the versatile performance of Lunit INSIGHT CXR across various applications. Meanwhile, at this year's ECR, the Company's collaborated with Oregon Health Technologies Consortium (Herself) on a "Research Collaboration Agreement" to develop Lunit INSIGHT CXR's AI algorithm for breast cancer screening. The Company was able to actively interact with global customers visiting Siemens booth.

3Q Study Details

AACR 2024 - Present 3 abstracts (Lunit SCOPE) includes study result that demonstrates correlation of CSTM expression and PD-L1

(2024.5Q The Company participated in the American Association for Cancer Research (AACR) 5th annual conference (7-10 May) held in Orlando, the leading cancer research conference in the U.S. The Company presented three abstracts, two of which specifically mentioned Lunit SCOPE, the Company's proprietary pan-cancer immune profiling AI platform, and the remaining one was a pan-cancer study of CSTM expression and PD-L1 expression. Through detailed NHTS interviews, cancer patients who underwent immunotherapy, participated in a survey that confirmed the PD-L1 expression.

Another study conducted with Genentech & Company focused on the correlation between the efficacy of gemcitabine and nivolumab and CSTM expression in pancreatic cancer patients. This study compared patients based on CSTM and PD-L1 expression, revealing that the combination therapy showed a higher response rate and high PD-L1 levels were more likely to respond favorably to gemcitabine and nivolumab, showing a 54.3% objective response rate (ORR). These findings not only highlight the predictive value of CSTM expression for immunotherapy response but also underscore the potential role of gemcitabine in conditioning tumor microenvironment.

4Q Paper

Radiology (Impact Factor:15.7): Publication of a head-to-head study of 7 global clinic X-ray AI analysis solution

(2024.5Q The Company's AI powered chest X-ray analysis solution, Lunit INSIGHT CXR, proven its outstanding performance in a head-to-head study, conducted by Radiology, a leading medical journal with an impact factor of 15.7. The research paper titled "Radiology", published by RSNA, will be released March of 2024. The research team from Radboud University Medical Center in the Netherlands, conducted a head-to-head comparison of 7 AI solutions using 1,000 anonymized chest X-ray images. Lunit INSIGHT CXR. Lunit INSIGHT CXR achieved the highest AUC (Area Under the Curve) in 3 out of 6 abnormalities, including pleural effusion, mediastinal mass, and nodule. Lunit's AI also exhibited remarkable outstanding AUC results for critical conditions like pneumothorax (AUC of 0.979) and cardiomegaly, underscoring its efficacy in critical diagnoses. The versatility of Lunit INSIGHT CXR matched AI's capabilities, supplementing all else AI algorithms, while maintaining exceptional performance across various tasks.

JPO(The Journal for Immuno Therapy of Cancer) (Impact Factor:9.72): Publication that illustrates the predictive value of Lunit SCORE in Immunotherapy

(2024.5Q The Company's AI powered H&E Pan-Cancer Immune Profiling solution, Lunit SCORE, has been published in a peer-reviewed journal, the Journal for Immuno Therapy of Cancer (JITC). This study demonstrated that Lunit SCORE's AI can be a tool to enable quantification immune phenotyping as a biomarker for immunotherapy. In the study, researchers applied Lunit SCORE to H&E slides from 1,186 patients across 27 solid tumors, discovered a correlation between the inferred immune cell density and molecular markers such as PD-L1 expression and TMB. The study identified by Lunit SCORE's AI, showed significantly favorable clinical outcomes in over 10 locations. More favorable ORRs, prolonged PFS and OS were observed in IP-positive tumors across all cancer types, including those classified as "cold" in conventional. This study paves the way for more precise patient selection for cancer immunotherapy, ultimately improving patient outcomes and advancing personalized and effective immunotherapy strategies, especially under the current challenges in traditional biomarkers.

4. Conference

Journal of Gorgon Healthcare Conference and World Economic Forum (WEF): Securing continuous global network

(2024.5Q The Company participated in the JP Morgan Healthcare Conference, the largest healthcare gathering in the U.S., and is engaged with over 300 companies, including major pharma companies, investment firms, and healthcare. Following the event, the Company participated the World Economic Forum (WEF) in Associated Partners, a role it has held since last November. At the WEF, the Company actively engaged with over 100 CEOs and C-level executives from pharmaceutical companies. The Company also engaged in meaningful discussions with representatives from government, business, and non-governmental organizations, including the World Economic Forum, to explore potential collaborations.

The Company interacted with over 300 representatives from various firms to explore further vision of becoming a leading platform company. These global interactions underscore the growing influence of the company in the Company's international business strategy.

Participate 16th Korean Society of Thoracic Imaging (KSTI) Annual Conference, the representative medical AI company

(2024.4Q The Company attended the 16 Korean Society of Thoracic Imaging (KSTI) Annual Conference, the largest healthcare gathering in the U.S., and is engaged with over 300 companies, including major pharma companies, investment firms, and healthcare. Following the event, the Company participated the World Economic Forum (WEF) as Associated Partners, a role it has held since last November. At the WEF, the Company actively engaged with over 100 CEOs and C-level executives from pharmaceutical companies. The Company also engaged in meaningful discussions with representatives from government, business, and non-governmental organizations, including the World Economic Forum, to explore potential collaborations.

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Joining the AI Bank consortium to enhance B2C sales channels for Lunit INSIGHT and Lunit SCORE: Collaborative development of insurance programs with Hyundai Marine & Fire Insurance and leveraging AI Bank's sales networks

(2024.4Q The Company has joined the AI Bank consortium in order for the B2C market by integrating its offerings with insurance programs. The strategic initiative aims to enhance the Company's presence in the healthcare and insurance sectors by capitalizing on partnerships in financial services. In November 2023, Lunit INSIGHT CXR, Lunit's core AI X-ray AI analysis solution, was designated as an Innovative Medical technology. The Company is now leveraging this designation to collaborate with insurance companies and patients to directly purchase the cutting-edge chest screenings at the Healthcare centers. The collaboration with AI Bank is a strategic move to leverage the Company's extensive network of healthcare centers and insurance partnerships. Through engagement in activities like the consortium, The Company aims to expand its market reach and enhance its offerings in the insurance sector. The collaborative insurance program, which will serve as a platform for the Company to develop new insurance products by integrating Lunit INSIGHT CXR and SCORE, and is projected to drive substantial product scalability under development with AI Bank's clearinghouse offerings.

Secured New Zealand high court patent regarding Lunit INSIGHT CXR's medical device software: Making a full-fledged entry into the U.S. market

	Prerequisites for Uniqueness Acquisition Competition
1	Approval of application for patent by the acquisition committee
2	Initial approval from court
3	Publication of patent application
4	Trial request and trial court
5	Acceptance of trial
6	The trial date of the danger
7	Payment
8	Up to trial

(2024.4Q Lunit recently secured initial approval from the New Zealand High Court for its submission to use of Medical Device Technology's Patent Application, as the "Tribunal"). Related to an Australian Stock Exchange-listed company providing medical imaging software and services, the patent application has been successfully approved in a recent tribunal in December 2023. Since then, the Company has completed a series of preliminary procedures for the acquisition of uniqueness, including the initial court approval and the publication of the application. Although completed all legal procedures required for the acquisition, Upon completion of the acquisition, the Company will acquire 100% of Medical's shares, enabling the Company to directly own the patent. This development marks a significant milestone in Lunit's company while enhancing the protection of its algorithms. Additionally, the Company expects to achieve successful market penetration in the U.S., where Tribeca promotes its largest revenue.

11th general meeting of shareholder: Strengthen expertise of brand to maintain leadership in global medical AI market

(2024.3Q The Company held its 11th General Shareholder Meeting where a total of eight agenda items approved as planned. The key items on the agenda included the re-appointment of the CEO as an inside director, the appointment of new outside directors, and the approval of the financial statements. The Company's CEO, who is expected to spend 2Q in a three-year term, expressing his commitment to enhancing shareholders value amidst a challenging and unprecedented business environment. Moreover, the Company has strategically appointed new outside directors, including Dong Hee Ubaechi Kim, Senior Advisor at Korea Exchange, and Young Jae Kim, founder of U.S. based HealthQuest Capital, who specialize in outside directors and auditors. These appointments are aimed at leveraging their expertise to bolster the global leadership of brand by strengthening the expertise of the Board of directors.

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