

**Lumos Diagnostics Holdings Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity:	Lumos Diagnostics Holdings Limited
ABN:	66 630 476 970
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

**2. Results for announcement to the market**

			<b>US\$'000</b>
Revenues from ordinary activities	decreased	38.1% to	5,202
Loss from ordinary activities after tax attributable to the owners of Lumos Diagnostics Holdings Limited	increased	>100% to	(11,088)
Loss for the half-year attributable to the owners of Lumos Diagnostics Holdings Limited	increased	>100% to	(11,088)

*Dividends*

There were no dividends paid, recommended or declared during the current financial period.

*Comments*

The loss for the consolidated entity after providing for income tax amounted to US\$11,088,000 (31 December 2020: US\$3,319,000).

**3. Net tangible assets**

	<b>Reporting period US\$ Cents</b>	<b>Previous period US\$ Cents</b>
Net tangible assets per ordinary security	<u>12.70</u>	<u>21.14</u>

**4. Dividends**

*Current period*

There were no dividends paid, recommended or declared during the current financial period.

*Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

**5. Foreign entities**

*Details of origin of accounting standards used in compiling the report:*

Not applicable. Lumos Diagnostics Holdings Limited and its subsidiaries, including its foreign subsidiaries, use a common set of accounting policies based on Australian Accounting Standards.

**6. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

**7. Attachments**

*Details of attachments (if any):*

The Interim Report of Lumos Diagnostics Holdings Limited for the half-year ended 31 December 2021 is attached.

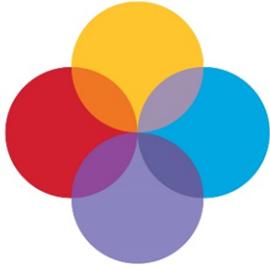
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**8. Signed**

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Signed \_\_\_\_\_

Date: 28 February 2022



**LUMOS**  
DIAGNOSTICS

**Lumos Diagnostics Holdings Limited**

**ABN 66 630 476 970**

**Interim Report for the Half Year Ending on 31 December 2021**

**Lumos Diagnostics Holdings Limited****Corporate directory****31 December 2021**

Directors	Samuel Lanyon (Executive Chair) Lawrence Mehren (Non-Executive Director and Deputy Chair) Bronwyn Le Grice (Non-Executive Director) Catherine Robson (Non-Executive Director)
Chief Executive Officer	Rob Sambursky
Chief Financial Officer	Barrie Lambert - appointed on 16 February 2022
Joint company secretaries	Melanie Leydin Tracy Weimar
Registered office	Level 4, 96-100 Albert Road SOUTH MELBOURNE VIC 3205 Australia
Principal place of business	7040 Professional Parkway, Suite B Sarasota, Florida 34240 USA
Auditor	William Buck Level 20 181 William Street MELBOURNE VIC 3000
Solicitors (USA)	Foley & Lardners LLC 100 North Tampa Street, Suite 2700 Tampa, FL 33602 USA
Solicitors (Australia)	Clayton Utz 1 Bligh St SYDNEY NSW 2000
Stock exchange listing	Lumos Diagnostics Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: LDX)
Website	<a href="https://lumosdiagnostics.com">https://lumosdiagnostics.com</a>

## **Lumos Diagnostics Holdings Limited**

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## **Lumos Diagnostics Holdings Limited**

### **Directors' report**

**31 December 2021**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'Lumos') consisting of Lumos Diagnostics Holdings Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

#### **Directors**

The following persons were directors of Lumos Diagnostics Holdings Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Samuel Lanyon (Executive Chair)

Robert Sambursky (Executive Director and CEO) - resigned from the Board on 11 February 2022

Lawrence Mehren (Non-Executive Director and Deputy Chair)

Bronwyn Le Grice (Non-Executive Director)

Catherine Robson (Non-Executive Director)

#### **Principal activities**

During the financial period the principal continuing activities of the consolidated entity consisted of providing contract research & development services specialising in the innovation, development, commercialisation and manufacturing of point-of-care (POC) diagnostic solutions for clinical and consumer applications.

Lumos is also developing and commercialising its own suite of rapid, point-of-care diagnostic products which are primarily focused on the diagnosis and management of infectious diseases. These include: FebriDx<sup>®</sup>, a POC test for detecting and differentiating viral and bacterial respiratory infections; CoviDx<sup>™</sup>, a rapid antigen test for COVID-19; and ViraDx<sup>™</sup>, a three-in-one POC test for influenza A, influenza B and COVID-19.

#### **Change in presentation currency**

On 31 January 2022, the Company voluntarily elected to change Lumos' presentation currency in accordance with AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors' from Australian dollars ('A\$') to United States dollars ('US\$'), effective from 1 July 2020.

The Directors believe that the change provides investors and other stakeholders with a clearer and more reliable understanding of Lumos' global business performance as a whole and is more comparable to the Company's peers, most of which are presented in US\$. The change is accounted for retrospectively and as such comparative information has been restated in US\$, including presentation of Statement of Financial Position as at 1 July 2020.

#### **Review of operations**

##### **Operations**

During the half year ended 31 December 2021 (1H FY2022), Lumos Diagnostics recorded revenues of US\$5.20 million (2020: US\$8.41 million). Of these, US\$4.15 million (2020: US\$7.16 million) was generated from contract development and manufacturing services provided to external clients during the half year, and US\$1.05 million (2020: US\$1.25 million) was from the sale of its own POC diagnostic test products. The majority of revenues, being US\$4.98 million, were generated in the United States (2020: US\$7.74 million).

During 1H FY2022, Lumos commenced operations at its newly established manufacturing facility in Sarasota, Florida USA, which is capable of producing up to 10 million POC test strips each month.

##### **Products**

During 1H FY2022, Lumos recorded revenues of US\$1.05 million from the sale of its own point-of-care diagnostic test products, FebriDx<sup>®</sup> and CoviDx<sup>™</sup> in Canada, the UK and Europe.

##### **FebriDx<sup>®</sup>**

FebriDx<sup>®</sup> is a rapid, POC test for detecting and differentiating bacterial and viral acute respiratory infections in patients. The results from a FebriDx<sup>®</sup> test helps clinicians identify patients who have a bacterial infection and would benefit from antibiotic treatment. The FebriDx<sup>®</sup> test provides clinicians with a result which allows them to confidently rule out a bacterial infection and avoid the use of medically unnecessary antibiotics. FebriDx<sup>®</sup> is currently approved for sale in UK, Europe, Canada and Australia. During the half year, Lumos also received market clearance for FebriDx<sup>®</sup> in the United Arab Emirates.

**Lumos Diagnostics Holdings Limited**  
**Directors' report**  
**31 December 2021**

Lumos has submitted a 510(k) application to the U.S. Food and Drug Administration (FDA) for the regulatory clearance of FebriDx® in the U.S. that is currently under review. Based on the feedback and interactions with the FDA to date, Lumos believes it remains on track to have a decision from the FDA on this application during 2H FY2022. If successful, a U.S. regulatory clearance will allow Lumos to commence commercial sales and marketing activities for FebriDx® in the U.S. The Company estimates there are approximately 150 million patient interactions in the U.S. each year where FebriDx® potentially could be used. Lumos intends to initially focus commercial sales of FebriDx® towards specialty outpatient settings that are not reliant on having reimbursement for FebriDx®. This should allow Lumos to launch FebriDx® in the U.S. soon after it receives regulatory clearance.

In October 2021, the results of a healthcare economic study commissioned by Lumos was published in a peer-reviewed journal called the Journal of Health Economics and Outcomes Research. This study looked at the direct and indirect costs associated with prescribing antibiotics, including the costs of managing side-effects and adverse events in patients who have been prescribed antibiotic unnecessarily or inappropriately. This study concluded that there are significant potential cost-savings to the healthcare system from using a test such as FebriDx® to correctly identify patients with a bacterial respiratory infection and to guide the prescribing of antibiotics. Healthcare economic studies are often taken into consideration by managed healthcare providers to support the reimbursement coverage of medical products.

During the half year, the Emergency Department (ED) at Box Hill Hospital, Melbourne, initiated a real-world clinical study using FebriDx® to evaluate patients presenting to the ED with symptoms consistent with a COVID-19 infection. This models a similar study that was successfully conducted at University Hospital Southampton (UK). Recruitment for this study has been completed with verification and the analysis of data collected from subjects that participated in the study is currently underway.

**CoviDx™**

CoviDx™ is a rapid antigen test intended to be used for the qualitative detection of COVID-19. In November 2021, CoviDx™ was granted Interim Order authorization by Health Canada, which allows qualified Canadian healthcare professionals to use the test for evaluating symptomatic patients, and for serial testing of patients without symptoms. In December 2021, Lumos reported that it had received orders for CoviDx™ valued at US\$250,000 from its Canadian distributors and a large-scale healthcare provider. Canadian demand for CoviDx™ has continued with the Company continuing to receive material orders for the product (see *Matters subsequent to the end of the financial half-year*).

In September 2021, Lumos was advised that the FDA had deprioritised the Company's application for Emergency Use Authorisation (EUA) of CoviDx™. Taking into account a number of factors including the large volume of EUA requests it had received and its limited resources, the FDA advised Lumos that it had ceased reviewing the application. Lumos continues to work on COVID-19 focused rapid diagnostic initiatives to support U.S. market entry including generating additional data to support CoviDx™ and alternative product formats such as ViraDx™ (see below).

**ViraDx™**

ViraDx™ is a three-in-one COVID-19/Flu A/Flu B point-of-care, rapid antigen test. In December, Lumos announced it had completed all the development, verification and validation activities to support regulatory submissions for ViraDx™. ViraDx™ was submitted for U.S. emergency use authorization and is currently under review. A regulatory application has commenced for Canada. In both countries, ViraDx™ falls into a class of tests that is currently prioritised for regulatory review.

**Services**

During 1H FY2022, Lumos' Services generated US\$4.15 million of revenue (2020: US\$7.16 million) from the provision of diagnostic test development and manufacturing services to its clients. The reduction in revenue compared with 1H FY2021 reflects the extraordinary demand for diagnostic test development services that was experienced in 1H FY2021 due to the COVID-19 pandemic. Lumos took advantage of the high demand experienced during 1H FY2021 as an opportunity to further expand its operations in the contract manufacturing of diagnostic tests. Lumos will use this manufacturing capacity for the production of its own diagnostic test products as well as contract manufacturing of its clients' products.

In 1H FY2022, Lumos' commercial partner Diabetomics secured EUA clearance from the FDA for its CovAb™ COVID-19 antibody test. This test has now transferred from development to Lumos' contract manufacturing operations and monthly production volumes grew during the half year reflecting the growing demand for the CovAb™ test.

During 1H FY2022, Lumos' Services had eleven active R&D service programs in various stages of development, from early feasibility and development to more advanced verification, validation and transfer-to-manufacturing.

**Lumos Diagnostics Holdings Limited**  
**Directors' report**  
**31 December 2021**

**Corporate developments**

On 1 July 2021, Lumos commenced trading on the Australian Stock Exchange (ASX) following an Initial Public Offering (IPO) that raised A\$63.0 million (US\$47.1 million) at A\$1.25 per share. In addition to existing shareholders in Lumos, the IPO was strongly supported by institutional investors including Australian Unity Future of Healthcare Fund, Perennial, Soul Pattinson and Ellerston. Of the A\$63.0 million (US\$47.1 million) raised, A\$25.0 million (US\$18.7 million) was used to purchase shares from a few, existing long-term Lumos shareholders, while A\$38.0 million (US\$28.4 million), before the costs of completing the IPO, were primary proceeds paid to the Company.

In September 2021, Lumos announced it had appointed Dr. Jerome Adams as Strategic Healthcare Advisor. Dr. Adams is a former U.S. Surgeon General who has been extensively involved in public health, public policy and health equity. His appointment provides Lumos with a real-world public health perspective on the ongoing impact of global issues such as antimicrobial resistance and the global COVID-19 pandemic.

**Significant changes in the state of affairs**

On 1 July 2021, Lumos Diagnostics Holdings Limited ('LDX') was admitted to the Official List of ASX Limited ('ASX'). Official quotation of LDX's ordinary fully paid shares commenced at 12:30 PM AEST on 5 July 2021.

On 22 September 2021, 137,229 options over fully paid ordinary shares with an exercise price of A\$0.57 per fully paid ordinary share, expiring on 12 August 2026, were forfeited upon the option holder's cessation of employment.

On 30 September 2021, the Company issued 120,000 unquoted options exercisable at A\$1.25, expiring 1 June 2024.

On 28 October 2021, the Company issued the following securities:

- 144,000 fully paid ordinary shares to the Company's Directors for nil consideration, of which 120,000 fully paid ordinary shares were issued to Sam Lanyon and 24,000 fully paid ordinary shares were issued to Rob Sambursky;
- 130,577 fully paid ordinary shares to the Company's employees for nil consideration.

On 24 December 2021, the Company issued the following securities:

- 121,273 fully paid ordinary shares to the Company's employees for nil consideration;
- 10,000 unquoted options exercisable at A\$0.80, expiring 15 November 2026;
- 3,539,424 unquoted options exercisable at A\$1.25, expiring 30 June 2025.

**Matters subsequent to the end of the financial half-year**

In January 2022, NHS (National Health Service) Liverpool Clinical Commissioning Group and Community Pharmacy Liverpool announced the launch of a new clinical service called "Pharmacy First" at more than 100 pharmacies. The aim of "Pharmacy First" is to enable rapid diagnosis and appropriate antibiotic prescribing without the need for the patient to first have a consultation with a General Practitioner. This service includes the use of Lumos' FebriDx<sup>®</sup> test to differentiate bacterial from viral respiratory infections in patients presenting with an acute cough at pharmacies across Liverpool.

In its 2Q FY2022 Quarterly Activities statement, Lumos announced it had received purchase orders for CoviDx<sup>™</sup> tests from its Canadian distributors and customers worth approximately US\$5.0 million during the month of January, . The majority of these tests are expected to ship during 2H FY2022.

In February 2022, Lumos advised that the Victorian State Government had announced its intention to provide support for Lumos to establish a A\$17.2 million Diagnostics Manufacturing Facility and Innovation Hub for the local production of rapid antigen tests. The support will include financial support by the Victorian Government towards establishing the facility, as well as priority access to purchase rapid antigen tests made at the facility. The investment aims to produce 1 million tests initially and will include equipment and infrastructure able to produce up to 50 million tests per year. The initial focus will be on the production of Lumos' CoviDx<sup>™</sup> test, but it is expected that this could expand to other tests for other applications subject to market demand and economic analysis. For this potential project to proceed to the next step of finalizing a binding, legal agreement, Lumos needs to secure approval from the Therapeutics Goods Administration (TGA) for the over-the-counter/self-test use of its CoviDx<sup>™</sup> test. The Company has an application with the TGA aimed at securing the necessary approvals to market CoviDx<sup>™</sup> in Australia.

On 9 February 2022, the Company issued 228,715 fully paid ordinary shares on conversion of 228,715 unlisted options exercisable at A\$0.57 per fully paid ordinary share.

**Lumos Diagnostics Holdings Limited**  
**Directors' report**  
**31 December 2021**

On 11 February 2022, Rob Sambursky resigned from the Lumos Board of Directors to focus on the management of the Company's operations as the Chief Executive Officer (CEO).

On 16 February 2022, Barrie Lambert was appointed as the Chief Financial Officer for Lumos.

**Rounding of amounts**

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'S. Lanyon', with a long horizontal line extending to the right.

Samuel Lanyon  
Executive Chair

28 February 2022

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001 TO THE DIRECTORS OF LUMOS DIAGNOSTICS  
HOLDINGS LIMITED**

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2021 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

*William Buck*

**William Buck Audit (Vic) Pty Ltd**  
ABN 59 116 151 136

*Alan Finnis*

**A. A. Finnis**  
Director

Melbourne, 28 February 2022

**ACCOUNTANTS & ADVISORS**

Level 20, 181 William Street  
Melbourne VIC 3000

Telephone: +61 3 9824 8555

**williambuck.com**

**Lumos Diagnostics Holdings Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
		<b>US\$'000</b>	<b>US\$'000</b>
<b>Revenue</b>			
Revenue	4	5,202	8,407
Cost of sales		<u>(2,801)</u>	<u>(3,718)</u>
Gross profit		<u>2,401</u>	<u>4,689</u>
Other income		1	108
<b>Expenses</b>			
Marketing and sales expenses		(2,311)	(978)
General and administration expenses	5	(10,243)	(5,627)
Research and development expenses		(719)	(662)
Finance costs		<u>(217)</u>	<u>(849)</u>
<b>Loss before income tax expense</b>		(11,088)	(3,319)
Income tax expense		<u>-</u>	<u>-</u>
<b>Loss after income tax expense for the half-year attributable to the owners of Lumos Diagnostics Holdings Limited</b>		(11,088)	(3,319)
<b>Other comprehensive loss</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(1,550)</u>	<u>(721)</u>
Other comprehensive loss for the half-year, net of tax		<u>(1,550)</u>	<u>(721)</u>
<b>Total comprehensive loss for the half-year attributable to the owners of Lumos Diagnostics Holdings Limited</b>		<u><u>(12,638)</u></u>	<u><u>(4,040)</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	8	(7.38)	(3.84)
Diluted loss per share	8	(7.38)	(3.84)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Lumos Diagnostics Holdings Limited**  
**Statement of financial position**  
**As of 31 December 2021**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2021</b>
<b>Note</b>	<b>2021</b>	<b>US\$'000</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	10,464	44,890
Trade and other receivables	2,787	4,255
Inventories	5,407	4,439
Prepayments and other assets	3,341	3,475
<b>Total current assets</b>	<u>21,999</u>	<u>57,059</u>
<b>Non-current assets</b>		
Financial assets	196	203
Plant and equipment	7,176	6,223
Right-of-use assets	8,570	8,657
Intangibles	26,536	25,848
<b>Total non-current assets</b>	<u>42,478</u>	<u>40,931</u>
<b>Total assets</b>	<u>64,477</u>	<u>97,990</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	3,481	24,119
Lease liabilities	1,032	765
Employee benefits	2,024	1,975
Contract liabilities	4,748	5,653
<b>Total current liabilities</b>	<u>11,285</u>	<u>32,512</u>
<b>Non-current liabilities</b>		
Lease liabilities	7,082	7,197
<b>Total non-current liabilities</b>	<u>7,082</u>	<u>7,197</u>
<b>Total liabilities</b>	<u>18,367</u>	<u>39,709</u>
<b>Net assets</b>	<u>46,110</u>	<u>58,281</u>
<b>Equity</b>		
Issued capital	6	84,222
Reserves	1,419	2,869
Accumulated losses	(39,898)	(28,810)
<b>Total equity</b>	<u>46,110</u>	<u>58,281</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Lumos Diagnostics Holdings Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2021**

<b>Consolidated</b>	<b>Issued capital US\$'000</b>	<b>Foreign currency translation reserve US\$'000</b>	<b>Equity- settled share based payments reserve US\$'000</b>	<b>Accumulated losses US\$'000</b>	<b>Total equity US\$'000</b>
Balance at 1 July 2020	34,796	32	985	(13,780)	22,033
Loss after income tax expense for the half-year	-	-	-	(3,319)	(3,319)
Other comprehensive loss for the half-year, net of tax	-	(721)	-	-	(721)
Total comprehensive loss for the half-year	-	(721)	-	(3,319)	(4,040)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	1,432	-	-	-	1,432
Share-based payments (note 9)	-	-	393	-	393
Balance at 31 December 2020	<u>36,228</u>	<u>(689)</u>	<u>1,378</u>	<u>(17,099)</u>	<u>19,818</u>
<b>Consolidated</b>	<b>Issued capital US\$'000</b>	<b>Foreign currency translation reserve US\$'000</b>	<b>Equity- settled share based payments reserve US\$'000</b>	<b>Accumulated losses US\$'000</b>	<b>Total equity US\$'000</b>
Balance at 1 July 2021	84,222	1,044	1,825	(28,810)	58,281
Loss after income tax expense for the half-year	-	-	-	(11,088)	(11,088)
Other comprehensive loss for the half-year, net of tax	-	(1,550)	-	-	(1,550)
Total comprehensive loss for the half-year	-	(1,550)	-	(11,088)	(12,638)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 6)	367	-	-	-	367
Share-based payments (note 9)	-	-	100	-	100
Balance at 31 December 2021	<u>84,589</u>	<u>(506)</u>	<u>1,925</u>	<u>(39,898)</u>	<u>46,110</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Lumos Diagnostics Holdings Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2021**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>Note</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	5,735	8,848
Payments to suppliers (inclusive of GST)	<u>(17,123)</u>	<u>(16,222)</u>
	(11,388)	(7,374)
Interest received	-	76
Interest and other finance costs paid	<u>(260)</u>	<u>-</u>
Net cash used in operating activities	<u>(11,648)</u>	<u>(7,298)</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(1,809)	(90)
Payments for capitalised development	<u>(1,500)</u>	<u>(1,824)</u>
Net cash used in investing activities	<u>(3,309)</u>	<u>(1,914)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	1,432
Proceeds from issue of convertible notes	-	17,837
Transaction costs related to issues of equity securities	(429)	-
Buy back of shares from existing shareholders on IPO	(17,501)	-
Repayment of lease liabilities	<u>(581)</u>	<u>-</u>
Net cash from/(used in) financing activities	<u>(18,511)</u>	<u>19,269</u>
Net increase/(decrease) in cash and cash equivalents	(33,468)	10,057
Cash and cash equivalents at the beginning of the financial half-year	44,890	846
Effects of exchange rate changes on cash and cash equivalents	<u>(958)</u>	<u>903</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>10,464</u></u>	<u><u>11,806</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Lumos Diagnostics Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**Note 1. General information**

The financial statements cover Lumos Diagnostics Holdings Limited as a consolidated entity consisting of Lumos Diagnostic s Holdings Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in US dollars, which is Lumos Diagnostics Holdings Limited's presentation currency. The functional currency for Lumos Diagnostics Holdings Limited is Australian dollars.

Lumos Diagnostics Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

<b>Registered office</b>	<b>Principal place of business</b>
Level 4, 96-100 Albert Road South Melbourne VIC 3205 Australia	7040 Professional Parkway, Suite B Sarasota, Florida 34240 USA

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2022.

**Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

**Change in presentation currency**

The Directors have voluntarily elected to change the Group's presentation currency in accordance with AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors' from Australian dollars ('A\$') to United States dollars ('US\$'), effective from 1 July 2020.

The Directors believe that the change provides investors and other stakeholders with a clearer and more reliable understanding of the Group's global business performance as a whole and is more comparable to the Company's peers, most of which are presented in US\$. The change is accounted for retrospectively and as such comparative information has been restated in US\$, including presentation of Statement of Financial Position as at 1 July 2020.

The financial report has been restated to US dollars using the procedures outlined below:

- Except where material transactions have been separately calculated using the spot rate on the date of the transaction and an average rate for the period would not appropriately reflect the United States Dollar value of the transaction, Income Statement and Statement of Cash Flows have been translated into US dollars using average foreign currency rates prevailing for the relevant period, being 1.000 Australian Dollar is equivalent to 0.7227 and 0.7319 United States Dollars for the six months to 31 December 2020 and 31 December 2021, respectively.
- Assets and liabilities in the Statement of Financial Position have been translated into US dollars at the closing foreign currency rates on the relevant balance sheet dates, being 0.7518 and 0.7256 United States Dollars at 30 June and 31 December 2021, respectively.
- The equity section of the Statement of Financial Position, including foreign currency translation reserve, retained earnings, share capital and the other reserves, has been translated into US dollars using historical rates.
- Loss per share and dividend disclosures have also been restated to US dollars to reflect the change in presentation currency.

**Lumos Diagnostics Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**Note 2. Significant accounting policies (continued)**

The Consolidated Statements of Profit or Loss and Other Comprehensive Income and Financial Position in Australian Dollars and US Dollars are stated as below:

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	<b>31 December 2020</b> Previously reported AU\$'000	<b>31 December 2020</b> Restated US\$'000
<b>Revenue</b>		
Revenue	11,556	8,407
Cost of sales	(5,298)	(3,718)
	<hr/>	<hr/>
Gross profit	6,258	4,689
	<hr/>	<hr/>
Other income	151	108
<b>Expenses</b>		
Marketing and sales expenses	(1,353)	(978)
General and administration expenses	(7,602)	(5,627)
Research and development expenses	(916)	(662)
Finance costs	(1,175)	(849)
	<hr/>	<hr/>
<b>Loss before income tax expense</b>	(4,637)	(3,319)
Income tax expense	-	-
	<hr/>	<hr/>
<b>Loss after income tax expense for the half-year attributable to the owners of Lumos Diagnostics Holdings Limited</b>	(4,637)	(3,319)
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	(997)	(721)
	<hr/>	<hr/>
Other comprehensive income for the half-year, net of tax	(997)	(721)
	<hr/>	<hr/>
<b>Total comprehensive income for the half-year attributable to the owners of Lumos Diagnostics Holdings Limited</b>	(5,634)	(4,040)
	<hr/> <hr/>	<hr/> <hr/>
	<b>Cents</b>	<b>Cents</b>
Basic losses per share	(5.37)	(3.84)
Diluted losses per share	(5.37)	(3.84)

Lumos Diagnostics Holdings Limited  
Notes to the financial statements  
31 December 2021

Note 2. Significant accounting policies (continued)

Consolidated Statement of Financial Position

	30 June 2021 Previously reported AU\$'000	30 June 2021 Restated US\$'000	1 July 2020 Previously reported AU\$'000	1 July 2020 Restated US\$'000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	59,710	44,890	1,233	847
Trade and other receivables	5,660	4,255	1,355	929
Inventories	6,114	4,439	729	500
Prepayments and other assets	4,611	3,475	1,996	1,370
<b>Total current assets</b>	<b>76,095</b>	<b>57,059</b>	<b>5,313</b>	<b>3,646</b>
<b>Non-current assets</b>				
Financial assets	271	203	271	186
Plant and equipment	8,287	6,223	871	597
Right-of-use assets	11,514	8,657	5,969	4,097
Intangibles	34,381	25,848	31,364	21,526
Deferred tax assets	-	-	87	59
<b>Total non-current assets</b>	<b>54,453</b>	<b>40,931</b>	<b>38,562</b>	<b>26,465</b>
<b>Total assets</b>	<b>130,548</b>	<b>97,990</b>	<b>43,875</b>	<b>30,111</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	32,254	24,119	4,556	3,126
Lease liabilities	1,017	765	1,255	861
Employee benefits	2,455	1,975	596	409
Contract liabilities	7,518	5,653	664	456
<b>Total current liabilities</b>	<b>43,244</b>	<b>32,512</b>	<b>7,071</b>	<b>4,852</b>
<b>Non-current liabilities</b>				
Lease liabilities	9,572	7,197	4,700	3,226
<b>Total non-current liabilities</b>	<b>9,572</b>	<b>7,197</b>	<b>4,700</b>	<b>3,226</b>
<b>Total liabilities</b>	<b>52,816</b>	<b>39,709</b>	<b>11,771</b>	<b>8,078</b>
<b>Net assets</b>	<b>77,732</b>	<b>58,281</b>	<b>32,104</b>	<b>22,033</b>
<b>Equity</b>				
Issued capital	116,187	84,222	50,679	34,796
Reserves	1,709	2,869	1,462	1,017
Accumulated losses	(40,164)	(28,810)	(20,037)	(13,780)
<b>Total equity</b>	<b>77,732</b>	<b>58,281</b>	<b>32,104</b>	<b>22,033</b>

**Going concern**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of US\$11,088,000 and had net cash outflows from operating activities of US\$11,648,000 for the six months ended 31 December 2021. As at that date the consolidated entity had net current assets of US\$10,714,000.

**Note 2. Significant accounting policies (continued)**

These factors indicate an uncertainty which may cast doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe there are reasonable grounds to believe the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- As noted in the subsequent events note 7, the consolidated entity has entered into agreements with customers as a result of which it is expected to result in an improvement in the receipts from customer and accordingly net operating cashflows. Management is also in the process of finalising satisfaction of a number of regulatory requirements, subsequent to which, it is expected to result in a material increase in both receipts from customers and net operating cashflows as a whole;
- Management has identified a number of operating and capital expenditures which will be optimised and which accordingly will enhance the net operating cashflows generated in the following twelve months; and
- The consolidated entity has a number of funding opportunities which it is investigating and which it believes will be able to be implemented as and when the circumstances require.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

All other accounting policies are consistent with those adopted in the annual financial report for the year ended 30 June 2021.

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Note 3. Operating segments**

*Identification of reportable operating segments*

The consolidated entity has one operating segment, being the provision of point of care diagnostics goods and services, however it operates across two geographical regions, being the United States and Australia. The operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

*Geographical information*

	Sales to external customers		Geographical non-current assets	
	31 December 2021 US\$'000	31 December 2020 US\$'000	31 December 2021 US\$'000	30 June 2021 US\$'000
United States	4,978	7,744	16,668	15,179
Australia	224	663	25,810	25,752
	<u>5,202</u>	<u>8,407</u>	<u>42,478</u>	<u>40,931</u>

**Lumos Diagnostics Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**Note 4. Revenue**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Services income	4,152	7,159
Sales of goods	1,050	1,248
	<u>5,202</u>	<u>8,407</u>

**Note 5. General and administration expenses**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Corporate and administration	5,278	3,031
Medical affairs and quality assurance	2,158	1,511
Information technology	513	-
Regulatory	203	-
Depreciation and amortisation	1,099	286
Other	992	799
	<u>10,243</u>	<u>5,627</u>

**Note 6. Equity - issued capital**

	<b>Consolidated</b>			
	<b>31 December 2021</b>	<b>30 June 2021</b>	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>Shares</b>	<b>Shares</b>	<b>US\$'000</b>	<b>US\$'000</b>
Ordinary shares - fully paid	<u>150,548,263</u>	<u>150,152,413</u>	<u>84,589</u>	<u>84,222</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>US\$'000</b>
Balance	1 July 2021	150,152,413		84,222
Issue of shares to directors of the Company	28 October 2021	144,000	US\$0.9388	135
Issue of shares to employees of the Company	28 October 2021	130,577	US\$0.9388	122
Issue of shares to employees of the Company	24 December 2021	<u>121,273</u>	US\$0.9040	<u>110</u>
Balance	31 December 2021	<u>150,548,263</u>		<u>84,589</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**Lumos Diagnostics Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**Note 7. Events after the reporting period**

In January 2022, NHS Liverpool Clinical Commissioning Group and Community Pharmacy Liverpool announced that they had launched a new clinical service at more than 100 pharmacies. This service includes the use of Lumos' FebriDx® test to differentiate bacterial from viral respiratory infections. The FebriDx® test will be used for patients presenting with an acute cough at pharmacies across Liverpool under a new service model for managing minor ailments that has been named "Pharmacy First". The aim of this initiative is to enable rapid diagnosis and appropriate antibiotic prescribing without the need for the patient to first have a consultation with a General Practitioner.

During January 2022, Lumos announced in its Quarterly Activities statement that it had received an additional approximately US\$5.0 million of signed purchase orders for CoviDx™ tests from its Canadian distributors and customers during the month of January. The majority of these tests are expected to ship during 2H FY2022.

In February 2022, Lumos advised that the Victorian State Government had announced its intention to provide support for Lumos to establish a A\$17.2 million Diagnostics Manufacturing Facility and Innovation Hub for the local production of rapid antigen test. The proposed support will be through the provision of financial support towards the cost of establishing the facility, and priority access to purchase rapid antigen tests made at the facility. The investment aims to produce 1 million tests initially and will include equipment and infrastructure able to produce up to 50 million tests per year. The initial focus will be on the production of Lumos' CoviDx™ test, but is likely to expand to other tests for other applications subject to market demand and economic analysis. For this potential project to proceed to the next steps of finalizing a binding, legal agreement, Lumos needs to secure approval from the Therapeutics Goods Administration (TGA) for the over-the-counter/self-test use of its CoviDx™ test. The Company has an application with the TGA aimed at securing the necessary approvals to market CoviDx™ in Australia.

On 9 February 2022, the Company issued 228,715 fully paid ordinary shares on conversion of 228,715 unlisted options exercisable at A\$0.57 per fully paid ordinary share.

On 11 February 2022, Rob Sambursky resigned from the Lumos Board of Directors to focus on the management of the Company's operations as the Chief Executive Officer (CEO).

On 16 February 2022, Barrie Lambert was appointed as the Chief Financial Officer for Lumos.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 8. Loss per share**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Loss after income tax attributable to the owners of Lumos Diagnostics Holdings Limited	<u>(11,088)</u>	<u>(3,319)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic loss per share	<u>150,253,355</u>	<u>86,378,252</u>
Weighted average number of ordinary shares used in calculating diluted loss per share	<u>150,253,355</u>	<u>86,378,252</u>
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(7.38)	(3.84)
Diluted loss per share	(7.38)	(3.84)

**Lumos Diagnostics Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**Note 9. Share-based payments**

The Company has an Employee Share Option Plan which have been established to encourage employees of the consolidated entity and its subsidiaries, including directors, to share in the ownership of the consolidated entity and its subsidiaries, in order to promote their long-term success. The Plans offer selected employees of the consolidated entity and its subsidiaries, including directors, an opportunity to share in the growth and profits of the consolidated entity and its subsidiaries alongside the consolidated entity's shareholders.

During the six-month period ended 31 December 2021, there was 3,669,424 options issued to the employees of the Company (December 2020: 1,457,204) at a market value of US\$100,000 (December 2020: US\$316,351).

The following tables illustrate the movements in options, during the current period ended 31 December 2021, and comparative period ended 31 December 2020.

As part of the Company's preparation for its IPO and listing of shares on the ASX, the number of options outstanding as of 31 December 2020 was consolidated on a 2 for 1 basis.

	Number of options 31 December 2021	Number of options 31 December 2020
Outstanding at the beginning of the financial half-year	10,694,140	23,223,781
Granted	3,669,424	1,457,204
Exercised	-	-
Forfeited	(137,229)	-
Outstanding at the end of the financial half-year	<u>14,226,335</u>	<u>24,680,985</u>

31 December 2021			Balance at the start of the period	Granted	Exercised	Forfeited	Balance at the end of the period
Grant date	Expiry date	Exercise price					
12/08/2019	12/08/2026	US\$0.3850	8,925,676	-	-	(137,229)	8,788,447
04/11/2019	04/11/2026	US\$0.3920	457,431	-	-	-	457,431
02/03/2020	02/03/2027	US\$0.3700	320,202	-	-	-	320,202
04/03/2020	04/03/2027	US\$0.3740	137,229	-	-	-	137,229
01/10/2020	01/10/2027	US\$0.4080	728,602	-	-	-	728,602
30/11/2020	01/10/2027	US\$0.4190	125,000	-	-	-	125,000
30/09/2021	01/06/2024	US\$0.9010	-	120,000	-	-	120,000
24/12/2021	15/11/2026	US\$0.5790	-	10,000	-	-	10,000
24/12/2021	30/06/2025	US\$0.9040	-	3,539,424	-	-	3,539,424
			<u>10,694,140</u>	<u>3,669,424</u>	-	<u>(137,229)</u>	<u>14,226,335</u>

For the options granted during the current financial period, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected Volatility %	Dividend yield %	Risk-free interest rate %	Fair value at grant date
30/09/2021	1/06/2024	US\$0.6490	US\$0.9010	98.00%	-	0.25%	US\$0.3290
24/12/2021	15/11/2026	US\$0.5060	US\$0.5790	70.58%	-	1.30%	US\$0.3600
24/12/2021	30/06/2025	US\$0.5060	US\$0.9040	70.58%	-	1.21%	US\$0.1810

**Lumos Diagnostics Holdings Limited**  
**Directors' declaration**  
**31 December 2021**

In the directors' opinion:

- The attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- The attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors

On behalf of the directors

A handwritten signature in black ink, appearing to be 'S. Lanyon', with a long horizontal line extending to the right.

Samuel Lanyon  
Executive Chair

28 February 2022

## Lumos Diagnostics Holdings Limited

### Independent auditor's review report

## Report on the Review of the Half-Year Financial Report

### Conclusion

We have reviewed the accompanying half-year financial report of Lumos Diagnostics Holdings Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lumos Diagnostics Holdings Limited is not in accordance with the *Corporations Act 2001* including:

- a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- b. complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the half-year financial report, which indicates that the consolidated entity incurred a net loss of US\$11,088,000 and had net cash outflows from operating activities of US\$11,648,000 for the six months ended 31 December 2021. As at that date the consolidated entity had net current assets of US\$10,714,000. As stated in Note 2, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

#### ACCOUNTANTS & ADVISORS

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Melbourne VIC 3000

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### **Responsibility of Management for the Half-Year Financial Report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibilities for the Review of the Half-Year Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**William Buck Audit (Vic) Pty Ltd**  
ABN 59 116 151 136



**A. A. Finnis**  
Director

Melbourne, 28 February 2022