ASX ANNOUNCEMENT

Lumos Diagnostics' Quarterly Activity Statement and Cash Flow Report

Key Highlights from the Fourth Quarter

- Unaudited revenue of US$3.5 million for the quarter (v US$2.0 million for Q3 FY2023) with full year FY2023 unaudited revenue of US$10.5 million
- Unaudited commercial services revenue of US$10.2 million, up 8.5% from FY2022 (US$9.4 million)
- Reduced cash usage for the quarter to US$1.2 million (average of US$0.4 million per month)
- Clearance to market FebriDx in the US awarded by FDA at the end of the quarter
- US product sales channel focused on women's health, sexual health and infectious diseases
- Successful institutional placement raising A$4.75 million and Share Purchase Plan (SPP) to raise up to an additional A$4.75 million announced in July
- Cash balance at 30 June of US$3.0 million

All amounts are in USD, the Company's reporting currency, unless otherwise stated.

MELBOURNE, Australia (20 July 2023) – Lumos Diagnostics (ASX: LDX), ("Lumos" or the "Company") a leader in rapid point-of-care (POC) diagnostic technologies, is pleased to release its Quarterly Activity Statement and its Appendix 4C Cash Flow Report for the fourth quarter of fiscal year FY2023 ending 30 June 2023.

Operations Update

Lumos recorded unaudited revenue of $3.5 million for the quarter ending 30 June 2023 compared with $2.0 million for the preceding quarter ending 31 March 2023. Unaudited revenue for the full year FY2023 was $10.5 million. The majority of revenue generated during the full year FY2023 was from the provision

of diagnostic test development services and contract manufacturing to clients by the Services side of the business ($10.2 million v FY2022 $9.4 million, an increase of 8.5%).

Cash usage for the quarter was reduced to $1.2 million ($0.4 million/month) as a result of increased revenue, improved collections from customers, payment for manufacturing establishment, continued expense control, and some warranty proceeds from returned equipment from the closed Sarasota facility. Unaudited cash usage for the full year FY2023 was $11.5 million (excluding Sale & Leaseback proceeds and Financing cash flows) in line with Lumos' target of reducing the average cash burn for the year to below $1.0 million per month.

Development Services and Contract Manufacturing

Lumos generated $3.4 million from the provision of diagnostic test development services and contract manufacturing during the June quarter. Development services included ongoing project work for Hologic, Aptatek and other parties that will continue into future periods.

During the quarter, Lumos received payment to cover the costs associated with the establishment of manufacturing for one of its customers.

FebriDx®

FebriDx is Lumos' rapid, point-of-care test which can be used to detect and aid in the diagnosis of acute bacterial from respiratory infections. To date, Lumos has now received regulatory registrations for the use of FebriDx in the US, UK, Europe, Canada, UAE, Brazil and Australia.

In July, Lumos announced that the FDA had granted clearance for FebriDx to be marketed in the US as an aid in the diagnosis of acute bacterial respiratory infections by healthcare professions. This clearance was based on a new 510(k) application that Lumos filed with the FDA following a pre-submission meeting that was held with the FDA in January 2023. During this meeting, the FDA clarified what was required in this new application to address its concerns in the previous unsuccessful application.

Lumos was expecting an outcome from the new application during the second half of CY2023. With this earlier than expected clearance, the Company has now commenced its preparations to launch FebriDx in the US market. This includes ordering materials to scale up production to meet the anticipated US demand, developing US marketing materials, and establishing the sales channel that will be used to market FebriDx. Lumos believes it will be in a position to receive the first US commercial orders for FebriDx by the end of CY2023.

Orders for FebriDx from distributors in other approved markets remained relatively modest but are gaining momentum with renewed interest following the recent US FDA clearance.

US Product Sales Channel

During the quarter, Lumos commenced activities directed at establishing a US sales channel for point-of-care diagnostic tests. These activities include securing distribution rights for market-ready or in-market products, and establishing a network of independent, commission-only sales representatives (referred to as "1099 commission sales reps"). Lumos is targeting point-of-care products for women's health, STIs, and other infectious diseases.

The sales channel will target the same physician offices and urgent care clinics that are relevant for Lumos' own products, including FebriDx. The additional test menu offering will improve the relevance and efficiency of the sales channel and make it economically more attractive, particularly in the early stages of developing Lumos' own product portfolio. Lumos expects to earn industry-standard distribution margins on the external party's products that it sells through this channel.

In May, Lumos secured the distibution rights for CLIA-waived, molecular, point-of-care tests for the rapid detection of chalmydia and gonorrhea from Binx Health. It has also secured distribution rights for additional STI tests as well as influenza and COVID from three other US organisations. Lumos intends to leverage this channel to stimulate customer adoption and incorporate those same customers into its US sale strategy for FebriDx.

Summary of Cash Receipts and Outflows

Lumos' cash usage for the quarter was reduced to $1.2 million (Q3; $3.2 million) as a result of increased revenues, ongoing cost management, improved customer collections and some warranty proceeds from returned equipment from the closed Sarasota facility. During the quarter, cash receipts from customers generated cash inflow of $2.9 million. The company held a cash balance of $3.0 million at 30 June 2023.

Subsequent to the end of the quarter, Lumos conducted a Placement of shares to a small group of existing institutional shareholders which raised A$4.75 million at $0.07 per share. The Company also announced a Share Placement Plan (SPP) in which eligible shareholders are able to apply for up to $30,000 worth of shares at $0.07 per share to raise up to an additional A$4.75 million. The SPP closes on 27 July 2023 at which time the amount raised from the SPP, up to the maximum of A$4.75 million, will be determined. The funds raised under the Placement and the SPP are intended to be used to buyback outstanding convertible notes and to provide general working capital.

Operating activities included project service delivery costs plus research and development expenditure of $0.8 million, as well as product manufacturing and operating costs of $0.9 million.

Payments to Related Entities

In accordance with Listing Rule 4.7C.3 and as outlined in Section 6.1 of the Appendix 4C the Company discloses payment to related entities of $74,000 comprising directors' fees, salary and superannuation.

Use of Funds Table

In accordance with Listing Rule 4.7C.2 the following table includes the Use of Funds summary:

Use of Funds	Per Prospectus[1]	Use of Funds to 30 June 2023[2]
	$m	$m
Infrastructure and Capacity Expansion	4.4	1.9
Sales and Marketing	6.3	4.8
Regulatory, Clinical and Quality	2.8	4.8
Development of test pipeline	2.3	3.1
Technology platform development	4.1	1.2
Working Capital[3]	5.2	23.4
Offer Costs	3.5	3.6
TOTAL	**28.6**	**42.8**

[1] Per the Prospectus dated 7 June 2021. Total proceeds received by the company was A$38.0m. At a conversion of approximately US$0.75 this equated to US$28.6m.

[2] For comparison purposes the Use of Funds table includes some items from FY2021 that relate to the IPO and Prospectus (i.e., offer costs and other items) plus 12 months of FY2022, plus 12 months of FY2023 to 30 June 2023. The Use of Funds table excludes the funds received from the Convertible Notes and Sale & Leaseback Agreement. As a result, this table will not agree to the total cash flows and foreign exchange movements in cash for FY2023 outlined in Appendix 4C.

[3] Working Capital is comprised of the following items: Finance, Information Technology, Manufacturing, Technical Operations, Corporate & Administration, Movement in Accounts Receivable, Inventory, Accounts Payable and Other Items, and Operating Lease Payments.

Outlook and Future Activities

The key focus for Lumos is on building its pipeline of commercial, revenue-generating projects for both its development services and contract manufacturing businesses with a view to accelerating the growth of a sustainable revenue stream from these business units.

With the recent FDA clearance of FebriDx, Lumos is preparing to scale-up production, marketing materials and sales and distribution channels for the US market as well as other markets where the test is cleared. Lumos is also developing a commission-only sales channel in the US for FebriDx and other POC diagnostic products for womens' health, STIs and other infectious diseases.

Lumos will continue to seek regulatory clearances to market its own point-of-care products, and to focus its sales and marketing efforts on those markets where its products have secured clearances.

-Ends-

This announcement has been approved by the Lumos Disclosure Committee.

About Lumos Diagnostics

Lumos Diagnostics specializes in rapid, cost-effective, and complete point-of-care (POC) diagnostic test technology to help healthcare professionals more accurately diagnose and manage medical conditions. Lumos offers customized assay development and manufacturing services for POC tests and proprietary digital reader platforms. Lumos also directly develops, manufactures, and commercializes novel Lumos-branded POC tests that target infectious and inflammatory diseases.

For more information visit lumosdiagnostics.com.

Forward-Looking Statements

This announcement contains forward-looking statements, including references to forecasts. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions, and other important factors, many of which are beyond Lumos' control and speak only as of the date of this announcement. Readers are cautioned not to place undue reliance on forward-looking statements.

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Appendix 4C

Quarterly Cash Flow report for entities subject to Listing Rule 4.7B

Name of entity

Lumos Diagnostics Holding Limited

ABN	**Quarter ended ("current quarter")**
66 630 476 970	30 June 2023

Consolidated statement of cash flows		**Current quarter US$'000**	**Year to date (12 months) US$'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	2,938	6,985
1.2	Payments for		
	(a) service delivery, research and development	(775)	(3,644)
	(b) product manufacturing and operating costs	(877)	(3,177)
	(c) advertising and marketing	(109)	(425)
	(d) leased assets	-	-
	(e) staff costs*	(1,148)	(4,613)
	(f) administration and corporate costs	(725)	(4,224)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(265)	(647)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(961)**	**(9,745)**

*Staff costs have been allocated to their respective departments above.

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(10)	(32)
	(d) investments	-	-
	(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter US$'000	Year to date (12 months) US$'000
	(f) other non-current assets (including capitalised product development costs)	-	(2)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	261	4,462
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**251**	**4,428**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	2,615
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(341)	(341)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other:		
	Lease payments	(322)	(1,828)
3.10	**Net cash from / (used in) financing activities**	**(663)**	**446**

Consolidated statement of cash flows		Current quarter US$'000	Year to date (12 months) US$'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,334	7,978
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(961)	(9,745)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	251	4,428
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(663)	446
4.5	Effect of movement in exchange rates on cash held	54	(92)
4.6	**Cash and cash equivalents at end of period**	**3,015**	**3,015**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter US$'000	Previous quarter US$'000
5.1	Bank balances	3,015	4,334
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,015**	**4,334**

6.	**Payments to related parties of the entity and their associates**	Current quarter US$'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	74
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end US$'000**	**Amount drawn at quarter end US$'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	5,298	2,649
7.4	**Total financing facilities**	5,298	2,649

7.5	**Unused financing facilities available at quarter end**	2,649

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The company has put in place an A$8.0m convertible note facility which was approved by shareholders at the general meeting on 22 December 2022. The facility is comprised of Tranche 1 of $A4.0m and Tranche 2 of A$4.0m (before costs). The company completed the draw down and settlement of Tranche 1 on 5 January 2023, shown above in "cash flows from financing activities". The use of Tranche 2 for A$4.0m (before costs) is subject to mutual agreement between the company and investors. Amounts shown are based on an FX rate of A$1.00 : US$0.6623.

8.	**Estimated cash available for future operating activities**	**US$'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(961)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,015
8.3	Unused finance facilities available at quarter end (item 7.5)	2,649
8.4	Total available funding (item 8.2 + item 8.3)	5,664
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	5.9x

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: **20 July 2023**

Authorised by: **The Lumos Disclosure Committee**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.