



ASX ANNOUNCEMENT

Lumos Diagnostics' Quarterly Activity Statement and Cash Flow Report

Key Highlights from the Third Quarter (US\$)

- Unaudited revenue of \$2.0 million for the quarter (v \$2.3 million for Q2 FY2023)
- Cash usage for the quarter of \$3.2 million, average of \$1.1 million per month (excl. impact of FX, Sale & Leaseback and Convertible Note funding)
- Two new services contracts worth up to \$1.7 million in revenue signed with Hologic
- Sale and leaseback agreement completed with Hologic providing \$4.2 million funding
- Settlement of Tranche 1 of the Convertible Notes completed providing \$2.6 million funding
- Cash balance at 31 March of \$4.3 million

MELBOURNE, Australia (28 April 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 third quarter of fiscal year FY2023 ending 31 March 2023.

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

Operations Update

Lumos recorded unaudited revenue of \$2.0 million for the quarter ending 31 March 2023 compared with \$2.3 million for the preceding quarter ending 31 December 2022. The majority of revenue was generated from the provision of diagnostic test development services and contract manufacturing to clients by the Services side of the business.

Development Services and Contract Manufacturing

Lumos generated \$1.9 million from the provision of diagnostic test development services and contract manufacturing during the March quarter.

During the quarter, Lumos signed two new services contracts worth up to \$1.7 million with Hologic to undertake additional work on existing projects. These follow the three service contracts that were signed during H1 FY2023 between Hologic and Lumos.

FebriDx®

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

A pre-submission meeting was held with the FDA in January 2023 to discuss the requirements for a potential future regulatory submission for FebriDx. The feedback from this meeting indicated that the existing clinical and performance data that Lumos has for FebriDx may be sufficient to support a new 510(k) application to the FDA with less broad claims for the test. Following submission of a new 510(k) application to the FDA for FebriDx, Lumos expects an outcome from this process by the end of CY2023.

Orders for FebriDx from distributors in four European markets remained relatively modest but are starting to gain momentum.

ViraDx™

ViraDx is a point-of-care, three-in-one COVID-19/Flu A/Flu B rapid antigen test.

ViraDx is currently under review by the US FDA for Emergency Use Authorization (EUA). During the quarter, Lumos provided responses to further information requests and clarifications and is awaiting a final decision from the FDA on US marketing clearance for ViraDx.

In June 2022, ViraDx was awarded Interim Authorization by Health Canada. During the quarter, Lumos received and commenced fulfilling a number of initial purchase orders for ViraDx from its Canadian distributors.

Summary of Cash Receipts and Outflows

In the preceding quarter, Lumos announced it had entered into Convertible Note Agreements to raise up to A\$8.0 million (US\$5.4 million) in two tranches from two US-based institutional investors—SBC Global Investment Fund and Lind Global Fund II, LP. Shareholder approval to proceed with the issue of these Notes was secured at the General Meeting held in December 2022. Following this approval, the first tranche of Convertible Notes was issued in early January and provided Lumos with a financing cash inflow of \$2.6 million.

During the quarter, Lumos and Hologic signed a sale and leaseback agreement for some of Lumos' capital equipment. The equipment, which is primarily for the development and manufacture of point-of-care diagnostic tests, will continue to be available and used by Lumos at its site in Carlsbad, California through a long-term lease arrangement with Hologic. From the proceeds of this sale, Lumos received cash inflow from investing activities of \$4.2 million.

During the quarter, cash receipts from customers generated cash inflow of \$1.1 million which is lower than revenue reported for the quarter due to some customers having pre-paid in a prior period.

Including proceeds from the first tranche of Convertible Notes and the sale of equipment to Hologic, Lumos closed Q3 FY2023 with cash of \$4.4 million. If required by Lumos, there remains an additional \$2.7 million available through the Convertible Notes facility subject to mutual agreement by Lumos and the Note holders. However, given high cost of capital under the current Convertible Note agreement and Lumos' cash reserves resulting from the issue of the first tranche of Convertible Notes, the sale and leaseback agreement with Hologic, and the cash inflows from operations, at this time the Company believes it will not be necessary to issue the second tranche of Convertible Notes.

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 \$0.6 million.

Company Secretary

Ms Melanie Leydin will step down as joint Company Secretary with effect from 1 May 2023. Ms Tracy Weimar, who is currently joint Company Secretary with Ms Leydin, will continue as Company Secretary of the Company.

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 \$76,000 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 31 March 2023 ²
	\$m	\$m
Infrastructure and Capacity Expansion	4.4	1.9
Sales and Marketing	6.3	4.4
Regulatory, Clinical and Quality	2.8	4.4
Development of test pipeline	2.3	3.1
Technology platform development	4.1	1.2
Working Capital ³	5.2	23.0
Offer Costs	3.5	3.6
TOTAL	28.6	41.6

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 9 months of FY2023 to 31 March 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 during FY2023 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.

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

66 630 476 970

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter US\$'000	Year to date (9 months) US\$'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,073	4,047
1.2 Payments for		
(a) service delivery, research and development	(772)	(2,869)
(b) product manufacturing and operating costs	(582)	(2,300)
(c) advertising and marketing	(53)	(316)
(d) leased assets	-	-
(e) staff costs*	(1,310)	(3,465)
(f) administration and corporate costs	(989)	(3,499)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(210)	(382)
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	(2,843)	(8,784)

*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	(3)	(22)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows	Current quarter US\$'000	Year to date (9 months) US\$'000
(f) other non-current assets (including capitalised product development costs)	22	(2)
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	4,201	4,201
(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	4,220	4,177

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	2,615
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
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	(411)	(1,506)
3.10 Net cash from / (used in) financing activities	2,204	1,109

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (9 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	787	7,978
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,843)	(8,784)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	4,220	4,177
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,204	1,109
4.5	Effect of movement in exchange rates on cash held	(34)	(146)
4.6	Cash and cash equivalents at end of period	4,334	4,334

5. Reconciliation of cash and cash equivalents	Current quarter US\$'000	Previous quarter US\$'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	4,334	787
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)	4,334	787

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	76
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>	

7. Financing facilities	Total facility amount at quarter end US\$'000	Amount drawn at quarter end US\$'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	-	-
7.2	-	-
7.3	5,356	2,678
7.4	Total financing facilities	2,678
7.5	Unused financing facilities available at quarter end	
		2,678
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.	
	<p>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\$0.6695.</p>	

8. Estimated cash available for future operating activities	US\$'000
8.1	(2,843)
8.2	4,334
8.3	2,678
8.4	7,012
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)
	2.47
<i>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.</i>	
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:
<i>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.</i>	

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: **28 April 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.