



## ASX ANNOUNCEMENT

### Lumos enters into binding agreements for up to A\$8.0m Capital Raising and announces General Meeting

#### HIGHLIGHTS:

- Lumos has entered into binding Convertible Note Agreements to raise up to A\$8.0m from US-based institutions, The Lind Partners and SBC Global Investment Fund
- Initial tranche will provide A\$4.0m in funding, with a second tranche for a further A\$4.0m subject to mutual agreement
- Funds will support the Company's operational requirements into the first half of FY24 as it continues to grow revenues within its services business unit
- General Meeting to approve resolutions related to the Convertible Note Agreements will be held on Thursday, 22 December 2022

**MELBOURNE, Australia (21 November 2022):** Lumos Diagnostics (ASX: LDX) (**Lumos** or **Company**) is pleased to announce that it has executed agreements with SBC Global Investment Fund and Lind Global Fund II (collectively, **the Investors**) for an investment in the Company of up to A\$8.0m.

The Company has entered into binding convertible note agreements with the Investors (**Convertible Note Agreements**). The Convertible Note Agreements remain subject to and conditional upon (amongst other things) shareholder approval for the issue of the Convertible Notes under ASX Listing Rule 7.1 (**Shareholder Approval**). If Shareholder Approval is granted, the Convertible Notes will be issued in two tranches to provide an aggregate funded value of up to A\$8.0 million (A\$4.0 in Tranche 1, and a further A\$4.0m in Tranche 2 subject to mutual agreement between Lumos and the Investors).

Key terms of the Convertible Note Agreement are summarised in the attached Appendix.

Over recent months, Lumos has commenced work on several development projects, many of which are with new partners and have the potential to expand into longer-term manufacturing contracts. With the company's substantial cost rationalisation program now complete, the funds from the Convertible Note Agreements are expected to support the Company into the first half of FY24 as it continues to focus on cash generating activities within its development and services business units.

The Company will convene a General Meeting on Thursday 22 December 2022 at 9:00 am to seek the necessary Shareholder Approvals.



Further details in respect of the proposed Convertible Note Agreements will be set out in the Notice of Meeting which will be dispatched and announced separately.

Bell Potter Securities Limited acted as Advisor to Lumos in respect of the Convertible Note Agreements.

Lumos CEO, Doug Ward, said “Lumos has substantial visible commercial opportunities ahead. To improve our balance sheet and best position the Company in the near-term so that it can execute on those opportunities, the investments from SBC and Lind provides us with the runway needed to deliver on the these and helps support other growth initiatives”.

**This announcement has been authorised for release to the market by the Lumos Board of Directors.**

###

#### **About Lumos Diagnostics**

Lumos Diagnostics specialises 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 customised assay development and manufacturing services for POC tests and proprietary digital reader platforms. Lumos also directly develops, manufactures, and commercialises novel Lumos branded POC tests that target infectious and inflammatory diseases.

For more information visit [lumosdiagnostics.com](http://lumosdiagnostics.com)

#### **Media Contact:**

Matthew Wright  
Director, NWR Communications  
[matt@nwrcommunications.com.au](mailto:matt@nwrcommunications.com.au)  
+61 451 896 420

#### **Investor Relations Contact:**

Matthijs Smith  
[ir@lumosdiagnostics.com](mailto:ir@lumosdiagnostics.com)

#### **Company Registered Office:**

Lumos Diagnostics Holdings Ltd  
Level 4, 100 Albert Rd  
South Melbourne, VIC 3205  
+61 3 9087 1598



## Appendix

<b>Face Value:</b>	A\$9.6m (Tranche 1 - A\$4.8m, Tranche 2 – A\$4.8m)
<b>Funded Value:</b>	A\$8.0m (Tranche 1 – A\$4.0m, Tranche 2 – A\$4.0m)
<b>Tranche 2 Option:</b>	Tranche 2 is subject to mutual written agreement between the Company and the Investors, failing which, Tranche 2 will not proceed (irrespective of whether Shareholder Approval is obtained).
<b>Maximum number of Convertible Notes to be issued:</b>	Tranche 1: 4,800,000 Tranche 2: 4,800,000
<b>Conditions Precedent:</b>	<p>It is a condition precedent to the issue of the Tranche 1 Convertible Notes, and the Tranche 2 Convertible Notes, that the Company obtain Shareholder approval for their issue.</p> <p>The other material conditions precedent pursuant to the Convertible Note Agreements are as follows:</p> <ul style="list-style-type: none"> <li>(i) completion of due diligence satisfactory to the Investors;</li> <li>(ii) the Investors having determined that, prior to settlement, there have been no material adverse developments relating to the Company, its subsidiaries and their assets and business; and</li> <li>(iii) general security agreements having been entered into between the Company and each Investor and each subsidiary of the Company having entered into deeds of guarantee and indemnity in favour of each Investor.</li> </ul>



<p><b>Placement Shares:</b></p>	<p>As partial consideration for the entry by the Investors into the Convertible Note Agreements, Lumos will issue 12 million placement shares (<b>Placement Shares</b>) to the Investors on a delayed payment basis within 5 days of the purchase date in respect of Tranche 1. In addition to being utilised under a Floor Price Election (discussed further below), the Placement Shares:</p> <ul style="list-style-type: none"> <li>(i) may, at the election of the Investors, be utilised to reduce any Share issue obligation of the Company under the Convertible Note Agreements;</li> <li>(ii) may, at the election of the Investors, be paid for (in whole or in part) by the Investors at a price per Share equal to 90% of the average of the 5 lowest daily VWAPs during the 20 Actual Trading Days prior to the date of the Investor’s notification of the same to the Company; and</li> <li>(iii) subject to the relevant Convertible Note Agreement being terminated or expiring, there being no amount outstanding under the Convertible Note Agreement and the Placement Shares having not otherwise been paid for under the Convertible Note Agreements (<b>Payment Trigger</b>), then the Investor has 60 Actual Trading Days to purchase them at a price per Share equal to 90% of the average of the 5 lowest daily VWAPs during the 20 Actual Trading Days prior to the relevant date on which the Investor gives notice to the Company of its intention to make the payment, failing which the Company will buy back any remaining unpaid for Shares for nominal consideration of \$1 (subject to 75% Shareholder approval).</li> </ul>
<p><b>Term:</b></p>	<p>24 Months (from closing of each Tranche)</p>
<p><b>Interest:</b></p>	<p>0%, except following an event of default. If an event of default occurs, the Convertible Notes will bear interest at 1% per calendar month until the Convertible Notes are repaid or the default is remedied to the satisfaction of the Investors.</p>
<p><b>Security:</b></p>	<p>Senior Secured, including a security interest over all of the present and after acquired property of the Company and its subsidiaries and a guarantee and indemnity from the subsidiaries of the Company.</p>
<p><b>Conversion and Conversion Price:</b></p>	<p>The “Conversion Price” will be the lesser of:</p> <ul style="list-style-type: none"> <li>(i) 100% premium to the average of 5 daily VWAPs preceding closing (the “Fixed Price”) and;</li> <li>(ii) 90% of the average of the 5 lowest daily VWAPs during the 20 trading days preceding the date of share issuance (the “Variable Price”),</li> </ul> <p>provided that the Fixed Price or Variable Price (as applicable) cannot be less than the floor price of \$0.025 (<b>Floor Price</b>). Pursuant to Tranche 1 and (if applicable) Tranche 2, the Convertible Notes will be convertible, at the election of the Investor, into such number of Shares determined by dividing the Tranche 1 Face Value or Tranche 2 Face Value (as applicable) proposed to be converted by the Investor by the Conversion Price</p>



<b>Floor Price Election</b>	In the event the Conversion Price (ie either the Fixed Price or the Variable Price) would be less than the Floor Price, the Company has the option (at its election) to satisfy the conversion in cash, shares or a mixture of both, or (with the consent of the Investor) reduce any share issue obligation (in excess of the amount that would be required at the Floor Price) by setting it off against the Placement Shares.
<b>Conversion Limitations:</b>	<p>Prior to 15 January 2023 and during the first 90 days after the settlement of Tranche 2, the relevant Convertible Notes are not convertible at the Variable Price.</p> <p>Prior to 11 November 2023 and during the first 12 months after the settlement of Tranche 2, conversions of the relevant Convertible Notes will be limited to a total of A\$225,000 per month at the Variable Price.</p> <p>The limitations above will cease to apply if an event of default occurs.</p> <p>No limits will apply under the Fixed Price at any time, or the Variable Price following the dates specified above, in relation to the relevant Convertible Note Agreements.</p>
<b>Buyback Right:</b>	Lumos will have the right to buy-back the outstanding Face Value of the Convertible Notes at any time with no penalty ( <b>Buy-back Right</b> ). Should the Company exercise its Buy-Back Right, the Investor will have the option to convert up to 1/3 of the remaining Face Value at the Conversion Price.
<b>Commitment Fee:</b>	A total cash fee of 4.0% on the Face Value is payable to the Investors for both Tranches, which can be deducted from the Funded Value.
<b>Options:</b>	On closing of both Tranches, Lumos will issue Options to the Investors equivalent to 50% of the Funded Value, divided by the average of the 5 daily VWAPs for the 5 Trading Days immediately prior to the relevant funding date, with an exercise price per share of 150% of the average of the 5 daily VWAPs for the 5 Trading Days immediately prior to the relevant funding date, and a term of 48 months.
<b>Minimum Cash Balance</b>	The Company will be required to maintain, at all times while there is any amount outstanding under the Convertible Note Agreements, a cash balance of no less than \$3,000,000 (unless otherwise agreed in writing with the relevant Investor).
<b>Other Terms:</b>	The agreement contains customary investor protections such as negative covenants and representations and warranties.
<b>No Quotation:</b>	The convertible security will not be quoted on ASX.