



# Lumos Diagnostics Holdings Limited FY2023 Results Presentation



August 2023

[www.lumosdiagnostics.com](http://www.lumosdiagnostics.com)

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# FY23 Summary



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*The opportunity that Lumos has with its technology, know-how and expertise in the development and production of point-of-care diagnostic tests and its unique reader platform remains as compelling as it was when I decided to join the Company, if not more so.*

*I feel that we have now turned the corner and are finally in a great position to capitalise on those opportunities. I see a very exciting future ahead for Lumos.*

Doug Ward  
**Chief Executive Officer**  
Lumos Diagnostics



**US\$10.5 million total revenue in FY23**



**US\$10.2 million Commercial Services revenue in FY23** ▶ **9% increase vs FY22**



**Reduced operating cash burn to average of <US\$1.0 million per month for FY23**



**Completed reorganisation reducing headcount by >60% & consolidated operations to single site**



**Secured FDA clearance to market FebriDx in the United States at end of FY2023**



**Established and expanded strategic partnership with leading women's health company Hologic**

# Company Overview



# Company Snapshot



*Lumos is a fully-integrated developer and manufacturer of connected, rapid, point-of-care tests for the diagnostics and healthcare industries*

- Led by Doug Ward, industry veteran with over 30 years experience in diagnostics
- Comprehensive offering from concept design to clinical to commercial production
- Proprietary reader platforms providing connected use in different clinical settings
- Development and manufacturing facility located in Carlsbad, California
- Strategic relationship with US-based women's health leader Hologic
- Two POC tests cleared in certain markets available for commercial sale or licensing
- Distributor of other women's health and sexual health products





# Board of Directors

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**Sam Lanyon**

Non-Executive  
Chair



**Doug Ward**

CEO and  
Managing Director



**Bronwyn Le Grice**

Non-Executive  
Director



**Lawrence Mehren**

Non-Executive  
Director



**Catherine Robson**

Non-Executive  
Director

# Lumos has a compelling and highly competitive offering



## 1. Fully-integrated—from design to manufacturing



## 2. Proprietary reader platform for use in different settings



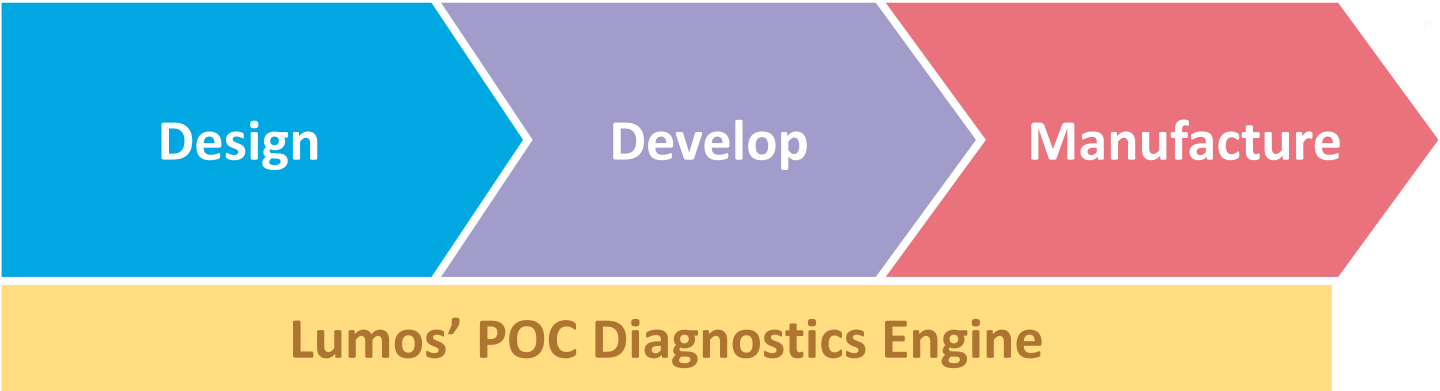
## 3. IVD development and manufacturing expertise



## 4. Clinical validation, trial management, and regulatory



# Lumos' POC diagnostic test development engine



REVENUE  
STREAMS

Contract Fees  
from services

Margin  
from manufacturing

Sales & license payments  
from own & other products



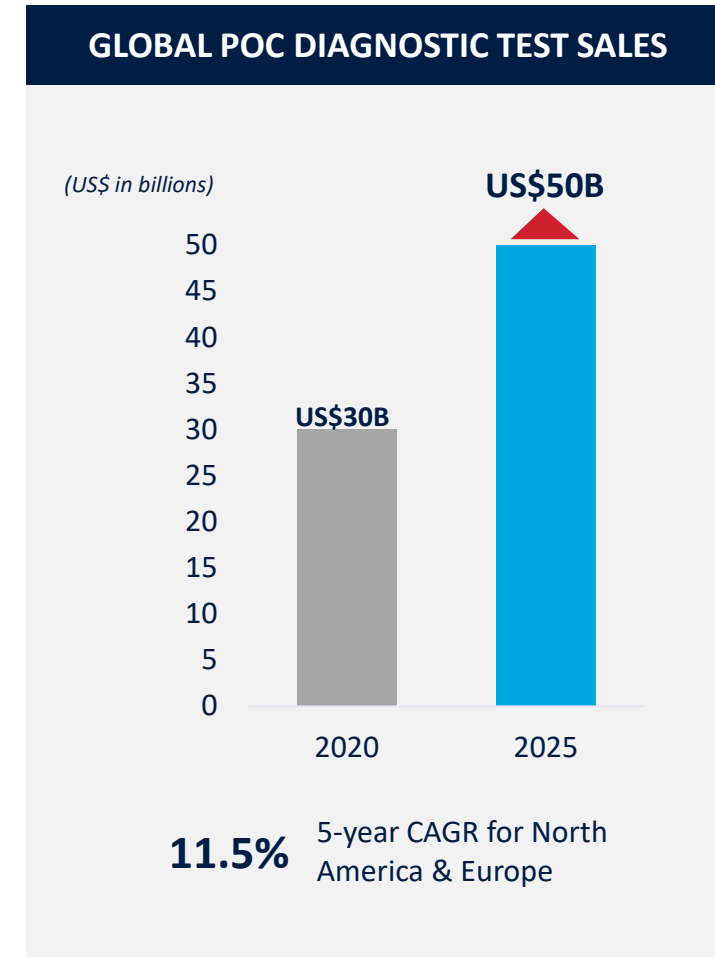
# Favourable industry structure and key trends

## Robust underlying category growth forecast

- Significant growth anticipated from growing role of diagnostic tests in healthcare
- Rapid, point-of-care tests increasingly being used – common in US settings
- POC tests increasingly critical for enabling real-time provision of healthcare
- Growing demand for next generation diagnostics which incorporate state-of-the-art reader systems that can move lab-based tests closer to the patient and physician

## Significant opportunity for diagnostic tests development and manufacturing services

- Current industry is highly fragmented—dominated by specialist niche players
- Few providers with expertise across development, clinical, regulatory and manufacturing
- Major players increasingly relying on external providers—cost effective access to technology
- Requirement for connected POC tests able to interface with Electronic Medical Records



SOURCE: MarketsandMarkets Report, 2021

# Strategic partnerships are a key pillar of Lumos' growth plan



Lumos provides a compelling service offering for leading diagnostics companies

- **Fully-integrated offering**—from concept-to-clinic-to-commercial production
- **Proprietary reader platform**—integrate POC testing with electronic medical records
- **Track record**—successful delivery of products to recognised industry leaders

Strategic partnerships will underpin long-term and durable revenue growth for Lumos

- **Multiple projects**—reduced transaction costs with repeat business
- **Project extensions**—as products migrate through stages of the development process
- **New projects**—creating and developing new products for strategic partners
- **Next gen products**—extending commercial life of partner's products as market evolves
- **Manufacturing**—ongoing revenue stream from commercial-stage products



# Commercial Services - FY23 Operational Summary



CARLSBAD, CA USA

- Lumos commercial services revenue of US\$10.2 million – an increase of 9% from FY22
- Completed major reorganisation which included reduction of headcount by over 60%
- Closed Sarasota FL facility and consolidated operations to single site in Carlsbad CA
- Established strategic partnership with leading women's health company Hologic that included multiple programs
- Expanded and diversified pipeline of commercial services projects beyond infectious disease applications

# Lumos has established a strategic partnership with Hologic



- **Hologic is a recognized global leader in women's health based in Massachusetts**
  - NASDAQ: HOLX, Market Capitalization US\$20 billion
  - FY2022 revenue of US\$4.2 billion with net income of US\$1.3 billion
  - Diagnostic products account for >50% of Hologic's revenue
- **Lumos is working with Hologic at multiple levels**
  - Multiple services contracts signed during FY2023
    - Existing, marketed product
    - Development of a new, rapid point-of-care test product
  - Other programs and opportunities currently under consideration
  - US\$4.2 million in non-dilutive funding through sale and leaseback agreement



# Lumos Products - FY23 Summary



- Product sales of \$0.3 million vs \$2.2 million in FY2022 – reduction due to absence of \$1.7 million in pandemic-related sales of CoviDx™ and lower sales and marketing investment
- Secured FDA clearance to market FebriDx® test in the United States at the end of FY2023 following submission of a new 510(k) application
- Initial orders for FebriDx shipped to new markets during FY2023 and Henry Schein expanded distribution coverage to include Spain, Portugal and the Netherlands in Q1 FY2024
- Commenced establishment of US sales channel targeting urgent care and relevant physician offices
- Secured distribution rights for cleared, point-of-care products for women's health, STIs and infectious diseases from Binx and three other US organisations
- Continued to progress regulatory application for ViraDx™ through EUA pathway in the United States



# FY23 Results



# FY23 – Result Highlights\*



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*While Lumos went into FY2023 facing a number of challenges, I am extremely happy with the successes we achieved during the financial year and believe that we have now put the Company on a firm trajectory for long-term growth.*

**Doug Ward**  
**Chief Executive Officer**  
Lumos Diagnostics



**Revenue \$10.5 million (\$11.6 million FY22, incl. CoviDx \$1.7m), revenue from services up 9%**



**Gross profit margin for FY23 of 56%, an improvement of 12% over FY22**



**Significant reduction in cost base with OPEX for FY23 \$11.9 million, versus \$22.8M in FY22**



**Significant reduction in loss after tax to \$9.0 million (\$45.7 million loss in FY22)**



**Significant reduction in cash usage for the year, to \$11.6 million (\$23.6 million cash usage in FY22)**



**Completed capital raise of A\$5.4 million in July 2023**



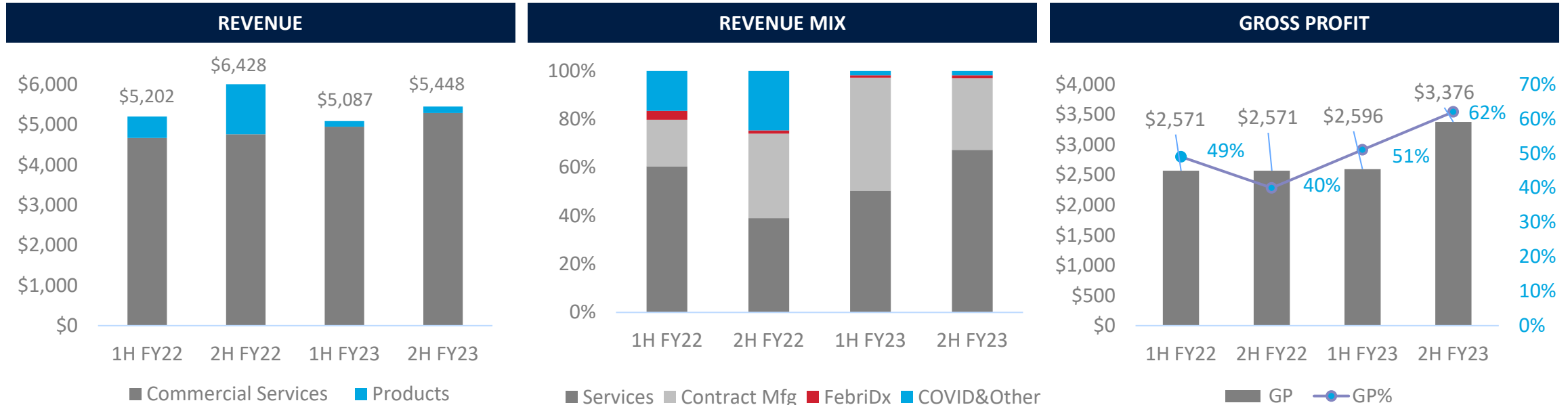
**Repaid all Convertible Notes, A\$1.58 million in August 2023**

*\* All amounts are in US\$ unless stated otherwise*

# Revenue & Gross Profit



(US\$ in thousands)



## COMMENTARY

### FY23, a period of consolidation & stabilization:

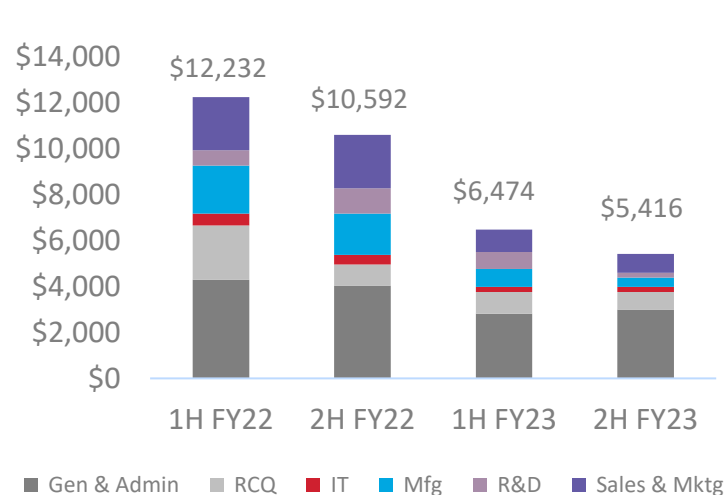
- Revenue of \$10.5M, down 9% from FY22 of \$11.6M. Up 6% on FY22 excluding CoviDx sales of \$1.7M in prior FY
- Services revenue up 9% from \$9.4M to \$10.2M
- Gross profit margin of for FY23 of 56%, recovered from the drop in 2H FY22, and up 12% on FY22
- Services revenue of \$10.2M from both contract development and manufacturing services
- Commercial Services revenue driven by 12+ ongoing development programs in various phases
- Product revenue of \$0.3M, down from \$2.2M in FY22 (which included CoviDx sales of \$1.7M) driven by FebriDx sales outside of U.S, and Reader sales

# OPEX & EBITDA

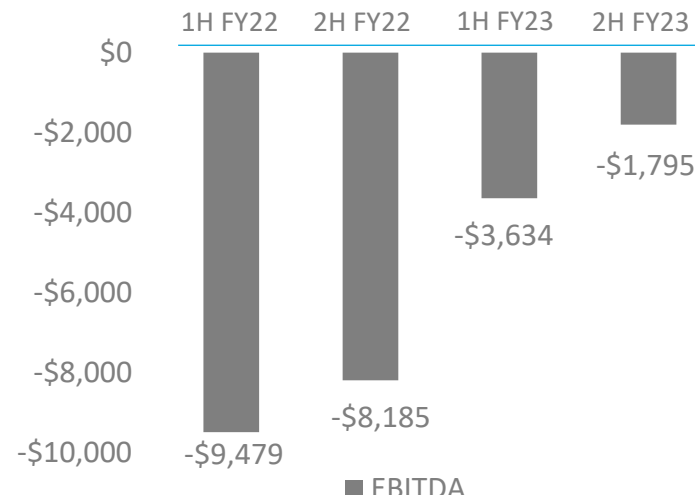


(US\$ in thousands)

## OPERATING EXPENSES<sup>1</sup>



## EBITDA<sup>2</sup>



## NPAT<sup>3</sup>

	FY23 \$'000	FY22 \$'000
<b>Underlying EBITDA Loss</b>	(5,429)	(17,664)
Depreciation & Amortisation	(3,671)	(3,017)
Gain on Disposal of PP&E	1,589	18
Impairment of Current Assets	(648)	(6,015)
Impairment of Non-Current Assets	-	(16,363)
Restructuring Expenses	-	(1,680)
Share based payments expense	-	(393)
Finance Costs	(812)	(610)
Income Tax Expense	-	-
<b>Net Loss After Tax</b>	(8,971)	(45,724)

## COMMENTARY

### FY23, realizing the cost savings from restructure:

- Benefits from restructure and rightsizing the business now flowing through
- Operating expenses reduced to \$11.9M in FY23, down by 48% from FY22 of \$22.8M
- Underlying EBITDA loss of \$5.4M for FY23, 69% lower than FY22 EBITDA loss of \$17.7M
- Increased amortization for the FY23 due to commencing amortization on additional IP in use (FebriDx and Reader Platform)
- One impairment booked in FY23, related to inventory (from expiry on some FebriDx items)
- Gain on sale of PP&E primarily relates to sale & leaseback agreement, and return of some equipment to a supplier under warranty
- NPAT loss for the FY23 is \$9.0M, a significant improvement over the \$45.7M loss reported in FY22

<sup>1</sup> Operating Expenses prior to impairments & non-recurring costs.

<sup>2</sup> Underlying EBITDA loss before impairments & non-recurring costs.

<sup>3</sup> Statutory NPAT per FY Report.

# Cash Flow

(US\$ in thousands)

OPERATING			INVESTING			FINANCING & CASH BALANCE		
	FY23 \$'000	FY22 \$'000		FY23 \$'000	FY22 \$'000		FY23 \$'000	FY22 \$'000
<b>Cash flows from operating activities</b>			<b>Cash flows from investing activities</b>			<b>Cash flows from financing activities</b>		
Receipts from customers	6,985	12,456	Payments for plant and equipment	(125)	(2,523)	Proceeds from issue of convertible notes	2,615	-
Payments to employees and suppliers	(15,846)	(30,337)	Payments for clinical trials and development	(30)	(1,832)	Proceeds from issue of shares, net of costs	-	7,870
Proceeds from government grant	-	15	Proceeds from disposal of property, plant & equipment	4,462	-	Payment of proceeds from sell-down of shares	-	(17,583)
	(8,861)	(17,866)	<b>Net cash from/(used in) investing activities</b>	4,307	(4,355)	Costs of issuing convertible notes	(134)	-
Interest received	21	2				Payment of lease liabilities	(1,829)	(1,206)
Interest and other finance costs paid	(798)	(172)				<b>Net cash from/(used in) financing activities</b>	652	(10,919)
<b>Net cash (used in) operating activities</b>	(9,638)	(18,036)				<b>Net increase/(decrease) in cash</b>	(4,679)	(33,310)
						Cash at the beginning of the financial year	7,978	44,890
						Effects of exchange rate changes on cash	(284)	(3,602)
						<b>Cash at the end of the financial year</b>	3,015	7,978

## COMMENTARY

### FY23, realizing the cash savings from restructure:

- Benefits from restructure and rightsizing the business now flowing through to the cash flow
- Operating cash outflow for FY23 \$9.6M, versus an outflow of \$18.0M in FY22
- Limited spend on PP&E, or product development. Proceeds from disposal of PP&E includes the sale & leaseback completed with Hologic
- Payment of lease liability includes the payout for surrender of Sarasota facility, \$0.3M
- Total cash usage (operating, capital expenditure, lease payments) was \$11.6M, versus \$23.6M in FY22
- Cash at 30 June was \$3.0M, which increased to \$6.3M after the capital raise completed in July of A\$5.1M (net of costs)
- Payout of convertible notes in August was A\$1.575M, leaving a “pro-forma” cash balance of \$5.2M at 1 July 2023



# Balance Sheet

(US\$ in thousands)

ASSETS			LIABILITIES			EQUITY		
	FY23 \$'000	FY22 \$'000		FY23 \$'000	FY22 \$'000		FY23 \$'000	FY22 \$'000
<b>Assets</b>			<b>Liabilities</b>			<b>Equity</b>		
<b>Current assets</b>			<b>Current liabilities</b>			Issued capital	92,468	92,139
Cash and cash equivalents	3,015	7,978	Trade and other payables	2,882	4,115	Reserves	(678)	280
Trade and other receivables	1,489	1,890	Convertible notes	1,346	-	Accumulated losses	(82,292)	(74,534)
Inventories	1,063	2,526	Lease liabilities	692	968	<b>Total Equity</b>	9,498	17,885
Prepayments and other assets	397	1,048	Employee benefits	1,540	1,087			
<b>Total current assets</b>	5,964	13,442	Contract liabilities	1,714	6,659			
<b>Non-current assets</b>			<b>Total current liabilities</b>	8,174	12,829			
Plant and equipment	611	3,495	<b>Non-current liabilities</b>					
Right-of-use assets	7,953	7,476	Lease liabilities	7,747	6,226			
Intangibles	10,891	12,527	<b>Total non-current liabilities</b>	7,747	6,226			
<b>Total non-current assets</b>	19,455	23,498	<b>Total Liabilities</b>	15,921	19,055			
<b>Total Assets</b>	25,419	36,940	<b>Net Assets</b>	9,498	17,885			

## COMMENTARY

### FY23, clean balance sheet and new capital in July:

- Benefits from restructure and rightsizing the business now also flowing through to the balance sheet
- Reduced investment in inventory
- ROU Assets is property leases, and sale & leaseback. Intangibles is reader platforms and IP
- Reduction in contract liabilities as projects now delivered
- Convertible note balance at 30 June is the combined balance of the host debt & embedded derivate (face value at 30 June 2023 was A\$2.55M)
- After conversions in July and August, the convertible notes were fully paid out in August for a cash outlay of A\$1.575M

# Promising Outlook



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*We have come out of FY2023 a much stronger and more focused company with an exciting pipeline of opportunities in front of us.*

*I believe in that the foundations we established over the last year will will enable Lumos to accelerate the building and growth of its business.*

Doug Ward  
**Chief Executive Officer**  
Lumos Diagnostics



**Expand and diversify pipeline of commercial services projects and recurring revenue**



**Continue to build foundation for long-term growth through strategic partnerships**



**Monetize the Lumos approved POC test products through sales, licenses and partnerships**



**Improve operating cash flow through growing revenue and ongoing cost management**



**Strong underlying fundamentals from increasing use of rapid point-of-care diagnostic tests**



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