

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 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

			US\$'000
Revenues from ordinary activities	down	45.6% to	2,766
Loss from ordinary activities after tax attributable to the owners of Lumos Diagnostics Holdings Limited	down	2.3% to	(6,413)
Loss for the half-year attributable to the owners of Lumos Diagnostics Holdings Limited	down	2.3% to	(6,413)

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\$6,413 thousand (31 December 2022: US\$6,564 thousand).

3. Net tangible assets

	Reporting period US\$ Cents	Previous period US\$ Cents
Net tangible assets per ordinary security	<u>(0.13)</u>	<u>(0.29)</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):

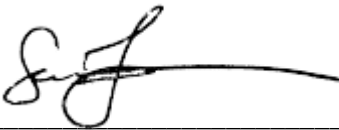
The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

7. Attachments

Details of attachments (if any):

The Interim Report of Lumos Diagnostics Holdings Limited for the half-year ended 31 December 2023 is attached.

8. Signed

Signed  _____

Date: 27 February 2024

Samuel Lanyon
Non-Executive Chair

For personal use only

Lumos Diagnostics Holdings Limited

ABN 66 630 476 970

Interim Report - 31 December 2023

For personal use only

Lumos Diagnostics Holdings Limited

Corporate directory

31 December 2023

Directors	Samuel Lanyon (Non-Executive Chair) Lawrence Mehren (Non-Executive Director and Deputy Chair) Bronwyn Le Grice (Non-Executive Director) Catherine Robson (Non-Executive Director) Doug Ward (Managing Director)
Chief Executive Officer	Doug Ward
Chief Financial Officer	Barrie Lambert
Company secretary	Tracy Weimar
Registered office	Level 4, 96-100 Albert Road SOUTH MELBOURNE VIC 3205 Australia
Principal place of business	2724 Loker Ave West Carlsbad, California 92010 USA
Auditor	William Buck Level 20 181 William Street MELBOURNE VIC 3000
Solicitors (USA)	Wilson Sonsini Goodrich & Rosati 12235 El Camino Real San Diego CA 92130 USA
Solicitors (Australia)	Hamilton Locke Level 33, 360 Collins Street Melbourne, VIC, 3000
Stock exchange listing	Lumos Diagnostics Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: LDX)
Website	https://lumosdiagnostics.com

For personal use only

Lumos Diagnostics Holdings Limited

Contents

31 December 2023

Directors' report	3
Auditor's independence declaration	9
Statement of profit or loss and other comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14
Directors' declaration	23
Independent auditor's review report to the members of Lumos Diagnostics Holdings Limited	24

For personal use only

Lumos Diagnostics Holdings Limited
Directors' report
31 December 2023

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 2023 (1H FY 2024).

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 (Non-Executive Chair)
Lawrence Mehren (Non-Executive Director and Deputy Chair)
Bronwyn Le Grice (Non-Executive Director)
Catherine Robson (Non-Executive Director)
Doug Ward (Managing Director - appointed 13 July 2023)

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, manufacturing and commercialisation of point-of-care 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®, a point-of-care test for detecting and differentiating viral and bacterial respiratory infections and ViraDx™, a three-in-one point-of-care test for detecting and differentiating influenza A, influenza B and COVID-19.

Dividends

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

Review of operations

The consolidated entity's net loss after tax for the 1H FY 2024 was \$6.41 million (1H FY 2023: \$6.56 million).

During the 1H FY2024, Lumos Diagnostics recorded revenues of \$2.77 million (1H FY2023: \$5.09 million), of which, \$2.51 million (1H FY2023: \$4.95 million) was generated from contract development and manufacturing services provided to external clients during the half year, and \$0.26 million (1H FY2023: \$0.14 million) was generated from the sale of Lumos' point-of-care diagnostic test products. All revenues during the 1H FY 2024, being \$2.77 million, were generated in the United States (1H FY2023: \$5.02 million).

The underlying EBITDA loss for the 1H FY 2024 was \$4.21 million, which is an increase of 8% over the \$3.90 million underlying EBITDA loss in 1H FY2023.

	31 December 2023 US\$'000	31 December 2022 US\$'000	Change US\$'000	Change %
Services income	2,510	4,946	(2,436)	(49%)
Sale of goods	256	141	115	82%
Total revenue	<u>2,766</u>	<u>5,087</u>	<u>(2,321)</u>	
Cost of sales	<u>(1,331)</u>	<u>(2,734)</u>	1,403	(51%)
Gross profit	<u>1,435</u>	<u>2,353</u>	<u>(918)</u>	
Gross margin %	52%	46%	-	6%

Lumos Diagnostics Holdings Limited
Directors' report
31 December 2023

	31 December 2023 US\$'000	31 December 2022 US\$'000	Change US\$'000	Change %
Other income	19	11	8	73%
General and administration expenses	(1,942)	(2,543)	601	(24%)
Employee expenses	(3,566)	(3,291)	(275)	8%
Marketing & sales expenses	(49)	(173)	124	(72%)
Research & development expenses	(110)	(258)	148	(57%)
Underlying EBITDA	<u>(4,213)</u>	<u>(3,901)</u>	<u>(312)</u>	8%
Finance costs – leases & other	(304)	(216)	(88)	41%
Finance costs – convertible notes	(498)	-	(498)	n/m
Depreciation & amortisation	(1,248)	(1,949)	701	(36%)
Impairment of current assets	-	(627)	627	(100%)
Share based payments expense	(150)	129	(279)	(216%)
Net loss after tax	<u>(6,413)</u>	<u>(6,564)</u>	<u>151</u>	(2%)

*EBITDA is a financial measure which is not prescribed by Australian Accounting Standard ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, impairments of assets, interest and finance costs and income tax. Underlying EBITDA is EBITDA adjusted to exclude share based payments and one-off impairments and expenses.

	31 December 2023 US\$'000	31 December 2022 US\$'000	Change US\$'000	Change %
Net cashflows				
Net cashflows from operating activities	(4,841)	(5,935)	1,094	(18%)
Net cashflows from investing activities	(18)	(43)	25	(58%)
Net cashflows from financing activities	3,210	(1,095)	4,305	(393%)
Total net cashflows	<u>(1,649)</u>	<u>(7,073)</u>	<u>5,424</u>	

Services

During 1H FY2024, Lumos' Services generated \$2.51 million of revenue (1H FY2023: \$4.95 million) from the provision of diagnostic test development and manufacturing services to its clients.

As a result of the FDA clearance of FebriDx in July 2023 and EUA approval of ViraDx in September 2023, a concerted effort was made to get these products into manufacturing in time for the US flu season. To achieve this goal a number of service resources were diverted to work on internal projects, which impacted the amount of billable work and revenue that could be delivered during the half year. In addition, considerable focus and effort in the 1H FY24 was put into developing large strategic partnerships, which take time to build and then generate revenue, plus, some contract manufacturing work in 1H FY2023 that was related to the COVID pandemic was completed and did not carry over to the 1H FY2024 period.

During the half year, Lumos continued to work on diversifying its project pipeline beyond infectious disease applications with the signing of several new commercial services agreements that have the potential to extend into future development and manufacturing programs. In 1H FY2023, Lumos secured an initial purchase order for the manufacture of a multi-assay, rapid diagnostic cartridge to be used in combination with a customized Lumos digital reader as part of a novel hormone monitoring platform to be used in clinical studies to support a potential market launch in FY2024; this project is still in the development phase. Development work also continued for a nutrition test for a US-based client, a new test for food safety testing, a novel molecular diagnostics platform, and a new animal health product. In addition to providing new clients and projects that can provide a basis for future revenue growth, these have provided a more diversified commercial services pipeline which was previously dominated by projects focused on the development and manufacture of point-of-care diagnostic products for infectious diseases.

Lumos Diagnostics Holdings Limited
Directors' report
31 December 2023

During 1H FY2024, Lumos signed a commercial contract to undertake an initial feasibility project with the Burnet Diagnostics Initiative (BDI) of the Macfarlane Burnet Institute for Medical Research and Public Health Ltd. The project will build upon preliminary proof-of-concept work conducted by BDI on a novel companion diagnostic biomarker with utility across a range of human health applications. Lumos will conduct feasibility level development studies to generate a prototype test for evaluation with clinical specimens. This initial feasibility stage of the project is worth up to US\$0.2 million in revenue for Lumos and is expected to complete within approximately four months. If successful, Lumos may be engaged to assist with subsequent stages of the project including product design, development, and manufacturing. In 1H FY2023, Lumos announced it had secured three new service agreements with US based women's health company Hologic. Hologic is a leading innovator in women's health and has engaged Lumos to conduct two programs of work focused on the support of an existing on market product, and the development of a commercial rapid, point-of-care test product. The projects covered under the existing on market product were largely completed by the middle of 2023. The establishment of deep, long-term strategic partnerships with key players in the diagnostics space is an important area of focus to drive growth for Lumos.

Following on from the agreements outlined above, in January 2024, Lumos announced it had signed two new Agreements with US based women's health company, Hologic. The two agreements encompass a Development Agreement and an Intellectual Property (IP) Agreement. Under the Development Agreement Lumos is entitled to receive up to US\$4.7 million in payments over an 18-24 month timeframe, subject to achieving certain development milestones. The IP Agreement provides Hologic with an exclusive license in the field of fetal fibronectin to Lumos proprietary reader and point-of-care technologies that will be incorporated into the next generation product under development. This Agreement provides for two non-refundable US\$5.0 million payments to Lumos from Hologic, the first upon signing, which was received in January 2024, and the second in June 2024.

Products

During 1H FY2024, Lumos recorded revenues of \$0.26 million up 82% on the prior half year (1H FY2023: \$0.14 million) from the sale of its own point-of-care diagnostic test products, FebriDx[®] and ViraDx[™].

FebriDx[®]

FebriDx[®] is a rapid, point-of-care test for detecting and differentiating bacterial and viral acute respiratory infections in patients. To date, Lumos has received regulatory registrations for the use of FebriDx in the US, UK, Europe, Canada, UAE, and Australia.

In July 2023, Lumos announced that the US 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 professionals.

Lumos has made significant progress in preparing for the launch of FebriDx in the US market. The Company commenced commercial production of FebriDx to meet anticipated demand, and product was ready for shipping by the end December 2023. The first US commercial order for FebriDx was delivered in January 2024.

The Company continues to receive inbound enquiries for FebriDx from potential end-users at physician's offices and urgent care clinics.

Orders were also shipped to Henry Schein in Europe, after it expanded its distribution coverage of FebriDx to include Spain, Portugal and the Netherlands. Henry Schein has been a key distributor of FebriDx in the UK for several years.

In February 2024 Lumos announced that it had signed an agreement with Henry Schein to distribute FebriDx in the United States.

ViraDx[™]

In September 2023, Lumos announced that the US FDA had granted Emergency Use Authorisation (EUA) and a CLIA Waiver (Clinical Laboratory Improvement Amendments) for the ViraDx test. Lumos offers ViraDx to healthcare providers in the US through its recently established sales channel for point-of-care products for women's health, Sexually Transmitted Infections (STIs) and other infectious diseases.

During the 1H FY 2024, Lumos made significant progress in preparation for the launch of ViraDx in the US market. The Company commenced commercial production of ViraDx to meet anticipated demand with product ready for shipment by the end of November. First orders were delivered in December. With the US flu season underway, the Company is continuing to receive orders and enquiries.

US Product Sales Channel

During the second half of FY2023, 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 sales representatives. The sales channel will target the same physician offices and urgent care clinics that are relevant for Lumos' own products, including FebriDx and ViraDx. 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 addition to its own products Lumos is securing distribution rights for point-of-care products for women's health, STIs, and other infectious diseases. In May 2023, Lumos secured the distribution rights for CLIA-waived, molecular, point-of-care tests for the rapid detection of chlamydia and gonorrhoea from Binx Health. Lumos intends to leverage this channel to stimulate customer adoption and incorporate those same customers into its US sale strategy for FebriDx and ViraDx.

Key Priorities

The key focus areas for Lumos continues to be building its pipeline of commercial, revenue-generating projects for both its development services and contract manufacturing businesses, with a strategy of accelerating the growth of sustainable revenue streams from these business units.

With the recent FDA clearance of FebriDx in the US, Lumos has moved into production phase, completing marketing materials and growing 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 both FebriDx, ViraDx and other point-of-care diagnostic products for women's health, STIs and other infectious diseases.

Following the EUA authorization of ViraDx Lumos is actively in the launch phase of this product in the US, preparing to respond to the current US flu season and expects continued sales during the current Q3 FY2024 quarter.

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

Significant changes in the state of affairs and Corporate developments

As announced on 3 July 2023, the FDA completed its review of the Company's 501k application and determined that FebriDx has demonstrated substantial equivalence to the predicate device cited in this application and has consequently cleared it for marketing in the US. Consequently, the FDA cleared the Company to market its FebriDx® rapid, point-of-care test in the United States for use by healthcare professionals as an aid in the diagnosis of bacterial acute respiratory infection and differentiation from non-bacterial etiology in patients presenting in urgent care or emergency care settings. FebriDx is intended to be used in conjunction with clinical signs and symptoms, including other clinical and laboratory findings, to evaluate patients for acute respiratory infection.

In July 2023, the Company completed a A\$4.75 million placement to sophisticated investors (placement) and a share purchase plan (SPP) that raised A\$0.69 million. On 10 July 2023, the placement was completed and 67,857,142 fully paid ordinary shares were issued at A\$0.07 per fully paid ordinary share. On 3 August 2023, the SPP was completed and 9,891,394 fully paid ordinary shares were issued at A\$0.07 per fully paid ordinary share. The total of A\$5.44 million (before costs) was raised by the placement and the SPP. Some of the proceeds from this capital raise (A\$1.58 million) were used to buy back the remaining Convertible Notes held by SBC Global Investment Fund and Lind Global Fund II, LP with the balance of proceeds to provide additional working capital for the Company.

On 13 July 2023, Doug Ward, the Company's Chief Executive Officer, was appointed as Managing Director and an executive member of the Board of Directors.

In August 2023, the Company received a cash refund of A\$705,193 related to its Research and Development Tax Incentive for the FY2022 financial year ending 30 June 2022.

Lumos Diagnostics Holdings Limited
Directors' report
31 December 2023

During the period from 1 July 2023 through to 3 August 2023, 49,891,305 fully paid ordinary shares were issued upon conversion of convertible notes at prices per fully paid ordinary share issued ranging from A\$0.01 (1 cent) to A\$0.046 (4.6 cents).

On 10 August 2023, the Company completed the early redemption of the convertible notes issued to Lind Global Fund II (Lind) and SBC Global Investment Fund (SBC) in January 2023. In aggregate, 1,875,000 Convertible Notes with a face value of A\$1,875,00 were redeemed for consideration of A\$1,575,000 and the issuance of 6,382,979 ordinary shares in Lumos at A\$0.047 per share. With this early redemption completed, the number of Convertible Notes held by both Lind and SBC has been reduced to nil.

In August 2023, the Company announced that a core patent covering the camera technology used in its reader platform had been granted for Europe and Japan. The patent, entitled Device for reading an IVD assay, covers the use of the Lumos proprietary camera technology which is incorporated in many of the Lumos readers. These readers have become a critical component of new point-of-care tests as they automate the reading and quantification of results and allow those results to be seamlessly integrated into electronic medical record systems. As these rapid diagnostic test readers promote more consistent, accurate test performance, interpretation and reporting, they are becoming a key requirement for the successful adoption of point-of-care tests by healthcare professionals in a variety of medical settings. This patent covers the use of Lumos' reader technology in the European and Japanese markets until 2036 and has already been granted in the United States and Australia.

On 11 September 2023, the Company announced that the FDA granted Emergency Use Authorisation (EUA) and a CLIA Waiver (Clinical Laboratory Improvement Amendments) for the Viradx test which is a combined COVID-19/Flu A/Flu B rapid POC test.

On 30 October 2023, Lumos completed an A\$2.65 million (before costs) capital raising through a private placement of 37,857,142 fully paid ordinary shares at a price of A\$0.07 per fully paid ordinary share to existing institutional shareholders of the Company. The funds provided additional working capital to support the pipeline of opportunities including the launch of FebriDx and Viradx in the US, plus the growing pipeline of new commercial services opportunities with existing strategic partners (such as the new Hologic agreements) and potential new commercial partners.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 11 January 2024, the Company announced it had signed two new Agreements with US based women's health company, Hologic. The two agreements encompass a Development Agreement and an Intellectual Property ("IP") Agreement. Under the Development Agreement Lumos is entitled to receive up to US\$4.7 million in payments over an 18-24 month timeframe, subject to achieving certain development milestones. The IP Agreement provides Hologic with an exclusive license in the field of fetal fibronectin to Lumos proprietary reader and point-of-care technologies that will be incorporated into the next generation product under development. This IP Agreement provides for two non-refundable US\$5.0 million payments to Lumos from Hologic, the first upon signing and the second in June 2024.

On 19 January 2024, the Company announced the issue of 4,188,000 options over fully paid ordinary shares in the Company, with an exercise price of A\$0.07 (7 Australian cents) per fully paid ordinary share, with an expiry date of 18 January 2029. These options were issued as part of the Chief Executive Officer and Managing Director, Doug Ward's, bonus for the financial year ended 30 June 2023.

On 19 January 2024, the Company announced the issue of 4,526,000 options over fully paid ordinary shares in the Company, with an exercise price of A\$0.07 per fully paid ordinary share, with an expiry date of 18 January 2029. These options were issued as part of employee's bonus for the financial year ended 30 June 2023.

No other matter or circumstance has arisen since 31 December 2023 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.

Lumos Diagnostics Holdings Limited
Directors' report
31 December 2023

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



Samuel Lanyon
Non-Executive Chair

27 February 2024

For personal use only

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Lumos Diagnostics Holdings Limited

As lead auditor for the review of Lumos Diagnostics Holdings Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, 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.

This declaration is in respect of Lumos Diagnostics Holdings Limited and the entities it controlled during the period.

William Buck

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

A. A. Finnis

A. A. Finnis
Director
Melbourne, 27 February 2024

For personal use only

Lumos Diagnostics Holdings Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

		Consolidated	
	Note	31 December 2023	31 December 2022
		US\$'000	US\$'000
Revenue			
Revenue	4	2,766	5,087
Cost of sales		<u>(1,331)</u>	<u>(2,734)</u>
Gross profit		<u>1,435</u>	<u>2,353</u>
Other income		19	11
Expenses			
General and administration expenses	5	(2,092)	(2,414)
Employee benefits expense		(3,566)	(3,291)
Marketing and sales expenses		(49)	(173)
Research and development expenses		(110)	(258)
Impairment of accounts receivable		-	(85)
Depreciation and amortisation expense		(1,248)	(1,949)
Impairment of inventory		-	(542)
Finance costs	7	<u>(802)</u>	<u>(216)</u>
Loss before income tax expense		(6,413)	(6,564)
Income tax expense		<u>-</u>	<u>-</u>
Loss after income tax expense for the half-year attributable to the owners of Lumos Diagnostics Holdings Limited		(6,413)	(6,564)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>232</u>	<u>(304)</u>
Other comprehensive income for the half-year, net of tax		<u>232</u>	<u>(304)</u>
Total comprehensive loss for the half-year attributable to the owners of Lumos Diagnostics Holdings Limited		<u>(6,181)</u>	<u>(6,868)</u>
		US\$ Cents	US\$ Cents
Basic loss per share	11	(1.44)	(3.13)
Diluted loss per share	11	(1.44)	(3.13)

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 at 31 December 2023

		Consolidated	
	Note	31 December 2023 US\$'000	30 June 2023 US\$'000
Assets			
Current assets			
Cash and cash equivalents		1,379	3,015
Trade and other receivables		1,000	1,489
Inventories		1,338	1,063
Prepayments and other assets		593	397
Total current assets		<u>4,310</u>	<u>5,964</u>
Non-current assets			
Plant and equipment		354	611
Right-of-use assets		7,857	7,953
Intangibles	6	<u>10,531</u>	<u>10,891</u>
Total non-current assets		<u>18,742</u>	<u>19,455</u>
Total assets		<u>23,052</u>	<u>25,419</u>
Liabilities			
Current liabilities			
Trade and other payables		2,051	2,882
Convertible notes	7	-	1,346
Lease liabilities		906	692
Employee benefits		1,968	1,540
Contract liabilities		1,279	1,714
Total current liabilities		<u>6,204</u>	<u>8,174</u>
Non-current liabilities			
Lease liabilities		<u>7,621</u>	<u>7,747</u>
Total non-current liabilities		<u>7,621</u>	<u>7,747</u>
Total liabilities		<u>13,825</u>	<u>15,921</u>
Net assets		<u>9,227</u>	<u>9,498</u>
Equity			
Issued capital	8	98,228	92,468
Reserves		(296)	(678)
Accumulated losses		<u>(88,705)</u>	<u>(82,292)</u>
Total equity		<u>9,227</u>	<u>9,498</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 2023

Consolidated	Issued capital US\$'000	Foreign currency translation reserve US\$'000	Share based payments reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Balance at 1 July 2022	92,139	(1,787)	2,067	(74,534)	17,885
Loss after income tax expense for the half-year	-	-	-	(6,564)	(6,564)
Other comprehensive loss for the half-year, net of tax	-	(304)	-	-	(304)
Total comprehensive loss for the half-year	-	(304)	-	(6,564)	(6,868)
Issue of shares (net of costs)	18	-	-	-	18
Share based payments expense	-	-	140	-	140
Share based payments forfeited	-	-	(269)	-	(269)
Transfer of options lapsed	-	-	(1,198)	1,198	-
Balance at 31 December 2022	92,157	(2,091)	740	(79,900)	10,906

Consolidated	Issued capital US\$'000	Foreign currency translation reserve US\$'000	Share based payments reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Balance at 1 July 2023	92,468	(2,264)	1,586	(82,292)	9,498
Loss after income tax expense for the half-year	-	-	-	(6,413)	(6,413)
Other comprehensive income for the half-year, net of tax	-	232	-	-	232
Total comprehensive income for the half-year	-	232	-	(6,413)	(6,181)
Issue of shares (net of costs)	5,026	-	-	-	5,026
Shares issued on settlement of convertible notes	734	-	-	-	734
<i>Transactions with owners in their capacity as owners:</i>					
Share based payments expense (note 12)	-	-	150	-	150
Balance at 31 December 2023	98,228	(2,032)	1,736	(88,705)	9,227

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 2023

	Consolidated	
	31 December 2023	31 December 2022
Note	US\$'000	US\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	2,438	2,974
Payments to suppliers and employees (inclusive of GST)	(7,401)	(8,738)
Proceeds from government grants	471	-
	<u>(4,492)</u>	<u>(5,764)</u>
Interest received	19	-
Interest and other finance costs paid	(368)	(171)
	<u>(4,841)</u>	<u>(5,935)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(9)	(19)
Payments for capitalised development	(9)	(24)
	<u>(18)</u>	<u>(43)</u>
Cash flows from financing activities		
Proceeds from issue of shares	5,352	-
Transaction costs related to issues of equity securities	(353)	-
Redemption of convertible notes	(1,110)	-
Repayment of lease liabilities	(679)	(1,095)
	<u>3,210</u>	<u>(1,095)</u>
Net cash from/(used in) financing activities	<u>3,210</u>	<u>(1,095)</u>
Net decrease in cash and cash equivalents	(1,649)	(7,073)
Cash and cash equivalents at the beginning of the financial half-year	3,015	7,978
Effects of exchange rate changes on cash and cash equivalents	13	(122)
	<u>1,379</u>	<u>783</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>1,379</u></u>	<u><u>783</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 2023

Note 1. General information

The financial statements cover Lumos Diagnostics Holdings Limited as a consolidated entity consisting of Lumos Diagnostics 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 dollar.

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:

Registered office

Level 4, 96-100 Albert Road
South Melbourne VIC 3205
Australia

Principal place of business

2724 Loker Ave West
Carlsbad, California 92010
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 24 February 2024.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 (1H FY2024) 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 2023 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 accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

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.

Going concern

The Interim Financial Report for the six months ended 31 December 2023 has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As disclosed in the financial statements, the net current assets position as at 31 December 2023 of the consolidated entity was a deficit of \$1,894 thousand (30 June 2023: deficit of \$2,210 thousand). The consolidated entity made a loss after tax of \$6,413 thousand during the half year ended 31 December 2023 (31 December 2022: \$6,564 thousand). The net operating cash outflow was \$4,841 thousand (31 December 2022: outflow of \$5,935 thousand). Cash and cash equivalents as at 31 December 2023 were \$1,379 thousand (30 June 2023: \$3,015 thousand).

These factors indicate a material uncertainty which may cast significant 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:

Note 2. Material accounting policy information (continued)

- Management continues to assess and identify operating and capital expenditures which may be optimised and which accordingly will reduce the expense base, capital expenditure and monthly cash outflows of the group;
- The group continues to explore revenue growth opportunities, across its commercial services business, contract manufacturing, and Lumos branded products, including FebriDx and ViraDx in the US; and
- Subsequent to the end of the financial half year, in January 2024, the Company announced it had signed two new agreements with US based women's health company, Hologic. The two agreements encompass a Development Agreement and an Intellectual Property Agreement. These two agreements provide significant immediate funding and longer-term opportunities for the Company; and
- the consolidated entity continues to have available a number of funding sources which it expects will be able to be accessed if required.

The Directors will continue to monitor the ongoing funding requirements of the consolidated entity.

As a consequence of the above, the directors believe that, notwithstanding the consolidated entity's operating results for the half year, the consolidated entity will be able to continue as a going concern for the foreseeable future and therefore Directors consider it is appropriate to prepare the financial statements on a going concern basis.

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 2023.

Comparative information

The consolidated financial statements provide comparative information in respect of the previous period. There can be a restatement of comparatives through either a correction of error, a change in accounting policy or a reclassification. The consolidated entity has made a number of reclassifications to comparative information, as a result of which neither is there an impact on the consolidated entity's net profit after tax for the period ended 31 December 2022 nor its net assets at 30 June 2023 as previously reported.

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 2023	31 December 2022	31 December 2023	30 June 2023
	US\$'000	US\$'000	US\$'000	US\$'000
United States	2,766	5,024	8,344	8,715
Australia	-	63	10,398	10,740
	<u>2,766</u>	<u>5,087</u>	<u>18,742</u>	<u>19,455</u>

Lumos Diagnostics Holdings Limited
Notes to the financial statements
31 December 2023

Note 4. Revenue

	Consolidated	
	31 December 2023	31 December 2022
	US\$'000	US\$'000
Services income	2,510	4,946
Sales of goods	256	141
	<u>2,766</u>	<u>5,087</u>

Note 5. General and administration expenses

	Consolidated	
	31 December 2023	31 December 2022
	US\$'000	US\$'000
Rent and related expenses	373	271
Insurance	542	814
Consulting fees	174	487
Corporate and administration	424	406
Legal expenses	114	142
Share based payment (credit)/expense on options granted	150	(129)
Other	18	73
Travel & accommodation expenses	131	103
Accounting, audit & company secretarial expenses	166	247
	<u>2,092</u>	<u>2,414</u>

Impairment of accounts receivable

Management have undertaken a review of accounts receivable at 31 December 2023, as a result of which there was no change to the provision for expected credit losses (1H FY 2023: 85 thousand).

Impairment of inventory

Management undertook a review of inventory at 31 December 2023, as a result of which it concluded that the expected net realisable value of inventories was in excess of their carrying value and accordingly no impairment loss was recognised (1H FY 2023: \$542 thousand).

Note 6. Non-current assets - intangibles

	Consolidated	
	31 December 2023	30 June 2023
	US\$'000	US\$'000
Development - at cost	9,959	9,675
Less: Accumulated amortisation	(1,766)	(1,283)
Less: Impairment	(1,241)	(1,199)
	<u>6,952</u>	<u>7,193</u>
Intellectual property - at cost	15,046	14,443
Less: Accumulated amortisation	(1,283)	(1,043)
Less: Impairment	(10,184)	(9,702)
	<u>3,579</u>	<u>3,698</u>
	<u>10,531</u>	<u>10,891</u>

Lumos Diagnostics Holdings Limited
Notes to the financial statements
31 December 2023

Note 6. Non-current assets - intangibles (continued)

Impairment of intangibles

All intangible assets are assessed at each reporting period for indicators of impairment. Lumos operates as a single operating segment and cash generating unit, being the provision of point-of-care diagnostics goods and services. Lumos amortize intangible assets with a finite use over the useful life. As at 31 December 2023, Lumos does not have any intangible assets with an indefinite useful life, nor are there any intangible assets which are not yet ready for their intended use.

As per AASB136 Impairment of Assets, Lumos has assessed whether there are any indicators of impairment of intangible assets. In undertaking its assessment, the Company has considered both external and internal sources of information, in accordance with the minimum requirements under AASB 136 - Impairment of Assets. Upon completing the assessment of impairment indicators for intangible assets, the Company concluded that an impairment of intangible assets is not required for the six months ending 31 December 2023

Note 7. Current liabilities - convertible notes

The Company issued 4,800,000 convertible notes to two investors (Noteholders) at a face value of A\$1.00 per convertible note in January 2023, in respect of which the Group received A\$4,000 thousand gross proceeds (A\$3,798 thousand net funds after costs) at the time of issue. Upon issue of the Convertible Notes (Notes), the Company also issued 12,000,000 placement shares for the purpose of meeting its potential obligations upon conversion.

As per the Convertible Note agreement, along with the entitlement for conversion of Notes into fully paid ordinary shares, Noteholders were also issued 41,666,668 options over fully paid ordinary shares (comprising 20,833,334 options to each noteholder), which have not been exercised as at 31 December 2023. The options issued over fully paid ordinary shares had an exercise price of A\$0.072 and expire on 8 January 2027.

As at 30 June 2023 the number of remaining Notes was 2,550,000 with a face value of A\$1.00 each.

During July and August 2023, 675,000 Notes were converted into equity, as a result of the which 49,891,305 fully paid ordinary shares were issued to the relevant Noteholders.

During August 2023, the Company completed the early redemption of the convertible notes issued to Lind Global Fund II (Lind) and SBC Global Investment Fund (SBC). In aggregate, 1,875,000 Convertible Notes with a face value of A\$1,875,000 were redeemed for consideration of A\$1,575,000 and the issuance of 6,382,979 ordinary shares in Lumos at A\$0.047 per share. With this early redemption completed, the number of Convertible Notes held by both Lind and SBC has been reduced to nil.

During the 1H FY2024, the consolidated entity incurred \$0.50 million in finance costs associated with the convertible notes on issue through to their early redemption in August 2023.

Reconciliation of movements in convertible notes:

US\$'000

Value of convertible notes on issue	3,178
Cost of issuance of convertible notes	(142)
Discount to face value of convertible notes upon issue	(529)
Amortisation of convertible notes, net of gains on change in fair value of embedded derivatives - note 8	329
Settlements of convertible notes	(1,490)
Value of convertible notes at 30 June 2023	<u>1,346</u>
Amortisation of convertible notes	411
Change in fair value of embedded derivative	808
Derecognition of embedded derivative on redemption of convertible notes	(721)
Cash settlements of convertible notes	(1,110)
Value of shares issued in settlement of convertible notes	<u>(734)</u>
Value of convertible notes at 31 December 2023	<u><u>-</u></u>

Lumos Diagnostics Holdings Limited
Notes to the financial statements
31 December 2023

Note 8. Equity - issued capital

	31 December 2023 Shares	30 June 2023 Shares	Consolidated 31 December 2023 US\$'000	30 June 2023 US\$'000
Ordinary shares - fully paid	481,300,042	309,420,080	98,228	92,468

Movements in ordinary share capital

Details	Date	Shares	Issue price	US\$'000
Balance	1 July 2023	309,420,080		92,468
Issue of shares to Convertible Noteholders	4 July 2023	9,000,000	US\$0.0167	150
Issue of shares to Convertible Noteholders	5 July 2023	22,500,000	US\$0.0067	150
Issue of shares to Convertible Noteholders	11 July 2023	13,500,000	US\$0.0067	90
Issue of Placement Shares	14 July 2023	67,857,142	US\$0.0481	3,264
Issue of Share Purchase Plan Shares	3 August 2023	9,891,394	US\$0.0457	452
Issue of shares to Convertible Noteholders	3 August 2023	4,891,305	US\$0.0301	147
Issue of shares to Convertible Noteholders	10 August 2023	6,382,979	US\$0.0308	197
Issue of Placement Shares	3 November 2023	37,857,142	US\$0.0451	1,707
Cost of shares issued		-	US\$0.0000	(397)
Balance	31 December 2023	<u>481,300,042</u>		<u>98,228</u>

On early conversion a proportion of the financial liability held at amortised cost has been transferred to share capital to reflect the cost in issuing the shares to the noteholders.

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.

Note 9. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 December 2023	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
<i>Liabilities</i>				
Convertible notes - embedded derivative	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Lumos Diagnostics Holdings Limited
Notes to the financial statements
31 December 2023

Note 9. Fair value measurement (continued)

Consolidated - 30 June 2023	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
<i>Liabilities</i>				
Convertible notes - embedded derivative	-	-	162	162
Total liabilities	-	-	162	162

The sensitivity analysis undertaken on the unobservable inputs identified no material impact to the valuation at 30 June 2023.

There were no transfers between levels during the financial half-year.

As detailed in note 7, during the period from July 2023 through settlement in August 2023, the fair value of the convertible note derivatives decreased by US\$162 thousand to \$nil.

Note 10. Events after the reporting period

On 11 January 2024, the Company announced it had signed two new Agreements with US based women's health company, Hologic. The two agreements encompass a Development Agreement and an Intellectual Property ("IP") Agreement. Under the Development Agreement Lumos is entitled to receive up to US\$4.7 million in payments over an 18-24 month timeframe, subject to achieving certain development milestones. The IP Agreement provides Hologic with an exclusive license in the field of fetal fibronectin to Lumos proprietary reader and point-of-care technologies that will be incorporated into the next generation product under development. This IP Agreement provides for two non-refundable US\$5.0 million payments to Lumos from Hologic, the first upon signing and the second in June 2024.

The body of work to be conducted under the Development Agreement, and payment profile, has been broken down into three phases:

- Product Definition and Planning - define the parameters for the product and establish a project plan US\$0.4 million;
- Assay Feasibility - conduct work to demonstrate the assay is able to detect the biomarkers US\$0.6 million; and
- System Prototype Delivery - deliver a working prototype of the system - US\$3.7 million providing total milestone payments of up to US\$4.7 million.

On 19 January 2024, the Company announced the issue of 4,188,000 options over fully paid ordinary shares in the Company, with an exercise price of A\$0.07 (7 Australian cents) per fully paid ordinary share, with an expiry date of 18 January 2029. These options were issued as part of the Chief Executive Officer and Managing Director, Doug Ward's, bonus for the financial year ended 30 June 2023.

On 19 January 2024, the Company announced the issue of 4,526,000 options over fully paid ordinary shares in the Company, with an exercise price of A\$0.07 (7 Australian cents) per fully paid ordinary share, with an expiry date of 18 January 2029. These options were issued as part of employee's bonus for the financial year ended 30 June 2023.

No other matter or circumstance has arisen since 31 December 2023 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 11. Loss per share

	Consolidated 31 December 2023 US\$'000	31 December 2022 US\$'000
Loss after income tax attributable to the owners of Lumos Diagnostics Holdings Limited	<u>(6,413)</u>	<u>(6,564)</u>

Lumos Diagnostics Holdings Limited
Notes to the financial statements
31 December 2023

Note 11. Loss per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	444,445,076	209,925,640
Weighted average number of ordinary shares used in calculating diluted loss per share	<u>444,445,076</u>	<u>209,925,640</u>
	US\$ Cents	US\$ Cents
Basic loss per share	(1.44)	(3.13)
Diluted loss per share	(1.44)	(3.13)

Note 12. Share-based payments

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

During the six-month period ended 31 December 2023, there was 4,050,000 options issued to the employees of the Company (31 December 2022: 17,637,050) at a fair value of \$270,698 (December 2022: \$504,101).

During the year ended 31 December 2023, a share based expense of \$150 thousand (31 December 2022: \$129 thousand credit) in share-based payments was recognised in respect of options granted.

The following tables illustrates the movements in options, held by employees and directors, during the current period ended 31 December 2023, and comparative period ended 31 December 2022.

	Number of options 31 December 2023	Number of options 31 December 2022
Outstanding at the beginning of the financial half-year	31,820,221	13,893,475
Granted	4,050,000	17,637,050
Exercised	-	-
Forfeited & lapsed	<u>(824,921)</u>	<u>(9,509,181)</u>
Outstanding at the end of the financial half-year	<u>35,045,300</u>	<u>22,021,344</u>

Lumos Diagnostics Holdings Limited
Notes to the financial statements
31 December 2023

Note 12. Share-based payments (continued)

**31 December
2023**

Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised	Forfeited	Balance at the end of the period
12/08/2019	12/08/2026	US\$0.385	2,689,698	-	-	(182,973)	2,506,725
30/09/2021	01/06/2024	US\$0.901	120,000	-	-	-	120,000
24/12/2021	15/11/2026	US\$0.579	10,000	-	-	-	10,000
24/12/2021	30/06/2025	US\$0.904	1,296,673	-	-	(68,018)	1,228,655
01/04/2022	30/06/2025	US\$0.935	321,514	-	-	(249,943)	71,571
15/07/2022	18/07/2029	US\$0.042	7,500,000	-	-	-	7,500,000
25/08/2022	26/08/2027	US\$0.042	2,995,000	-	-	-	2,995,000
30/11/2022	26/08/2027	US\$0.030	2,246,500	-	-	-	2,246,500
29/08/2022	31/08/2026	US\$0.038	2,139,014	-	-	(273,987)	1,865,027
29/08/2022	28/02/2026	US\$0.038	15,000	-	-	-	15,000
12/12/2022	11/12/2027	US\$0.030	1,036,822	-	-	-	1,036,822
29/08/2022	31/08/2027	US\$0.038	250,000	-	-	-	250,000
23/09/2022	31/08/2027	US\$0.040	1,000,000	-	-	-	1,000,000
02/03/2023	30/01/2028	US\$0.021	100,000	-	-	-	100,000
02/06/2023	08/05/2028	US\$0.016	10,100,000	-	-	-	10,100,000
11/08/2023	10/08/2028	US\$0.009	-	4,025,000	-	(25,000)	4,000,000
07/09/2023	10/08/2028	US\$0.009	-	25,000	-	(25,000)	-
			31,820,221	4,050,000	-	(824,921)	35,045,300

Weighted average exercise price

US\$0.1086 US\$0.0090 US\$0.0000 US\$0.4564 US\$0.0889

**31 December
2022**

Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised	Forfeited	Balance at the end of the period
12/08/2019	12/08/2026	US\$0.3850	8,513,988	-	-	(5,547,549)	2,966,439
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	3,159,513	-	-	(1,778,015)	1,381,498
01/04/2022	30/06/2025	US\$0.9346	321,514	-	-	(16,973)	304,541
15/07/2022	18/07/2029	US\$0.0417	-	7,500,000	-	-	7,500,000
25/08/2022	26/08/2027	US\$0.0417	-	2,995,000	-	-	2,995,000
30/11/2022	26/08/2027	US\$0.0300	-	2,246,500	-	-	2,246,500
29/08/2022	31/08/2026	US\$0.0377	-	2,503,728	-	(308,184)	2,195,544
29/08/2022	28/02/2026	US\$0.0377	-	105,000	-	(90,000)	15,000
12/12/2022	11/12/2027	US\$0.0300	-	1,036,822	-	-	1,036,822
29/08/2022	31/08/2027	US\$0.0377	-	250,000	-	-	250,000
23/09/2022	31/08/2022	US\$0.0400	-	1,000,000	-	-	1,000,000
			13,893,479	17,637,050	-	(9,509,185)	22,021,344

Weighted average exercise price

US\$0.5216 US\$0.0388 US\$0.0000 US\$0.4704 US\$0.1570

Lumos Diagnostics Holdings Limited
Notes to the financial statements
31 December 2023

Note 12. Share-based payments (continued)

The weighted average remaining contractual life of options outstanding at 31 December 2023 was 4.16 years (30 June 2023: 4.56 years).

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
11/08/2023	10/08/2028	US\$0.0480	US\$0.0090	90.00%	-	3.85%	US\$0.0430
7/9/2023	10/08/2028	US\$0.0620	US\$0.0090	90.00%	-	3.85%	US\$0.0570

For personal use only

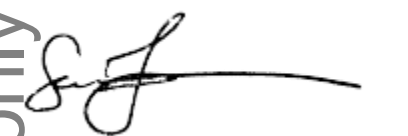
Lumos Diagnostics Holdings Limited
Directors' declaration
31 December 2023

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 2023 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



Samuel Lanyon
Non-Executive Chair

27 February 2024

For personal use only

Independent auditor's review report to the members of Lumos Diagnostics Holdings Limited

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Lumos Diagnostics Holdings Limited (the Company), and its subsidiaries (the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2023,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the half-year financial report, which indicates that the Group incurred a net loss of US\$6,413,000, and had net cash outflows from operating activities of US\$4,841,000 for the six months ended 31 December 2023. As at that date the Group had net current liabilities of US\$1,894,000. As stated in Note 2, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

For personal use only

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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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.

Responsibilities of the directors 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 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 Group's financial position as at 31 December 2023 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

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

Alan Finnis

A. A. Finnis

Director

Melbourne, 27 February 2024