

Press release year-end report 2021, Lumito AB (publ)

Financial overview

1 October – 31 December 2021

- Net sales amounted to KSEK 0 (0)
- Result after taxes amounted to KSEK -6 855 (-5 199).
- Basic and diluted earnings per share amounted to SEK -0.08 (-0.06).
- Cash flow from operating activities after change in working capital amounted to KSEK -2 270 (-5 032).

Twelve months, 1 January – 31 December 2021

- Net sales amounted to KSEK 0 (0)
- Result after taxes amounted to KSEK -26 373 (-16 048).
- Basic and diluted earnings per share amounted to SEK -0.30 (-0.21).
- Cash flow from operating activities after change in working capital amounted to KSEK -22 197 (-17 271).
- Cash and cash equivalents amounted to KSEK 35 439 (39 981) on the balance sheet date.

Significant events during year 2021

First quarter

- Lumito's advisors in the field of pathology have now had the opportunity to review the company's UCNP immunostaining of invasive breast cancer with an antibody against HER2 (the target molecule) at a high image resolution. *"The signals are uniquely sharp and clear, which gives the impression of staining almost on the level of individual target molecules; in this sense, it is superior to any method currently in regular use in pathology laboratories,"* says one of Lumito's advisors, Björn L. Isfoss
- An account was given of the events that unfolded prior to the publicity that impacted the company and stirred up concern among the company's shareholders. The shareholders were informed that the company's development and adjustment efforts relating to images in Sectra's Pacs On Demand system continue.

- A process for listing the company's shares and warrants on Nasdaq First North Growth Market was initiated and subsequently terminated. The company formally withdrew its application for a delisting from NGM Nordic SME. This took place against the background of the issues brought up in the media concerning the company's disclosure.
- Mattias Lundin took position as CEO in March and shared his first impressions in an Investor Letter. He works on a long-term approach to build a strong and attractive company. The overarching aim is to shape the Company's strategy for the commercial phase.

Second quarter

- The Annual General Meeting was held on 27 May, 2021. Due to COVID-19, the general meeting was conducted by postal vote and without physical attendance. Re-election of the board members Stefan Andersson-Engels, Ulf Bladin, Roland Andersson and Urban Widén. Masoud Khayyami declined re-election. Urban Widén was proposed as new Chairman of the Board.
- A confirmation from an independent auditing firm showed that Lumito has the processes in place to qualify for ISO 13485. The first step is completed, and the processes showed that the company is well prepared for the requirements of the IVDR Regulation. The next step is to show that the processes are conformed to in practice.
- The patent describing the use of light pulses to improve technology efficiency and shorter imaging times was granted in India. The patent has previously been approved in Europe, South Korea, Australia, China, South Africa, the USA and Japan.

Third quarter

- The company called an Extraordinary General Meeting that approved a long-term incentive scheme for the Company's CEO Mattias Lundin, including a directed issue of maximum 1 000 000 warrants. The purpose of the proposal is to promote a long-term increased community of interests between the CEO and its shareholders.
- The basic patent was granted in Europe. Lumito's basic patent, a patent in the first patent family protecting the use of upconverting nanoparticles (UCNPs) for imaging in scattering materials such as human tissue, was approved also in Brazil.

Fourth quarter

- TTP plc delivered the next version of Lumito's scanner, with improved functionality, and assisted in the installation process. The new scanner entails, among other things, a greater capacity to test new indications and complete the evaluation of the breast cancer marker Her2.
- Lumito AB entered into an agreement with Mangold Fondkommission AB to act as the Company's mentor in trading on NGM Nordic SME.

- The Board of Directors decided to bring forward the Company's report for the third quarter of 2021 to 20 October 2021.
- Lumito published a strategy update with the planned product launch aimed at research laboratories towards the end of 2022. The Company considers that there is business potential in research laboratories, which may generate sales as of 2022, and in addition may draw media attention to the Company's technology and deepen understanding and the opportunities offered by the technology, moving forward.
- Lumito's CEO Mattias Lundin was assigned warrants within the framework of the previously decided incitement programme, including a directed issue of maximum 1 000 000 warrants.
- Bo Holmqvist (CSO, Imagen-eIT AB) analysed the latest results of Lumito's marking of new breast cancer tissue, with varied degrees of HER2 stains, visualised with Lumito's UCNPs (up-converting nano particles). The same tissue was also marked in the traditional way, meaning the technology presently in use by immunohistochemical and clinical pathologists (DAB-reagents), for comparison. The image of the UCNPs technology was generated in Lumito's scanner and then analysed by immunohistochemist/pathologist via Sectra's Pacs on Demand system. Lumito's objective was to create high-quality markings of tissue samples and image these. The effort to find a repeatable and stable method for the marking connected with an optimal imaging for a digital, visual analysis has been central. These objectives were now reached according to Dr. Bo Holmqvist. Parts of Lumito's development team visited the development partner TTP's (The Technology Partnership) research and development campus, outside Cambridge, UK, to discuss and plan the finalisation of Lumito's scanner for research laboratories with the launch planned for the latter part of 2022.
- Lumito took part in the 2021 edition of Digital Pathology & AI Congress in London. The objective of the participation was to build an interest in the industry for Lumito, for our product and technology, and also to meet other companies within digital pathology as well as pathologists and potential end-customers.
- On 5 November 2021, the Company called an Extraordinary General Meeting. The meeting was held on 24 November and a decision was taken on the directed issue of shares and warrants.
- Lumito published a prospectus in the advent of the directed issue of units.
- The Company informed that members of the Board, together with related parties, all members of the Management Team and the Company's largest shareholders subscribe for 191 813 units corresponding to SEK 3 069 008 in the directed rights issue of units.
- Lumito completed the rights issue of units consisting of shares and warrants of series TO4. The rights issue was subscribed to a total of 80.00 per cent of which approximately 55.15 per cent were subscribed on the basis of unit rights,

approximately 6.20 per cent without unit rights and approximately 18.65 per cent were subscribed by issue underwriters.

- In the process of designing a competitive product, Lumito initiated a pre-study in cooperation with researchers at Umeå University dedicated to identifying other indications, besides breast cancer, where the company's UCNP technology (Up-Converting Nano Particles) may be applied and to map how Lumito's can be used and improve the possibility for precise diagnosing in connection with pancreatic cancer.

Significant events after the end of the period

- Lumito conducted a directed rights issue of shares to guarantors in connection with the concluded rights issue. The guarantors were offered compensation in the form of cash, or alternatively in the form of newly emitted shares in the Company. The Board of Directors, based on the authorization of the AGM on 27 May 2021, decided on the remuneration issue comprising in total 405 000 shares. In this the number of shares in Lumito is increased by 405 000 shares to a total of 156 708 371 shares, and increases the share capital by a total of SEK 10 125.00 to approximately SEK 3 917 709.28.

Comments from the CEO

Lumito is now leaving an eventful quarter behind, and summarizes an interesting year. Analysis, progression, decisions and implementation are significant for year 2021. So far, our work has been heavily oriented towards technology and development, but during the second half we have also taken steps towards the oncoming commercialisation. The year has included initial discussions with several prospective global distribution and production partners. The objective is to roll out our first product in research laboratories by the end of 2022.

We have analysed the technology and the potential of the product, the market needs, we have evaluated and assessed. Where would our product add most benefits, where in the market would it add most value? The fruit of this labour includes the strategy update presented in November also including two value-adding business models. The planned product launch to the research laboratories may generate sales immediately. At the same time, it may serve as an opportunity to attract interest in the research and diagnostics industry for our company through media exposure of our technology and product in the form of scientific articles written by researchers. In this way we may see a pull effect from the market. The launch will also give us deepened insight into the prospects of technology for the future and where it adds most value, before the launch into a clinical environment.

Central to us has been the essential need to find a repeatable and stable method for UCNP (Up-Converting Nano Particles) the marking of tissue samples connected to the optimal imaging for a digital, visual analysis. The objective, to make high-quality markings of tissue samples and imaging these, was achieved in November when Lumito's consultant, since many years Bo Holmqvist (CSO, Imogene-iT AB), analysed the results of our markings and opinionated that our images are of high and stable quality and offer very good histopathological opportunities for analysis; a feedback on our hard efforts with excellent results.

We have seen a strong progression when it comes to the development of our scanner and reagent. The challenges facing us during the year have been successfully resolved in cooperation with our development partner on the hardware side, The Technology Partnership, TTP and we are now ready for the final stage of development, with detailed construction, tests and adaptation for the production of our product for the research laboratories. Once we have decided on the final design, the formal verification work will commence.

Meanwhile we are working intensely to increase the areas of use for our product by potentially adding more interesting cancer indications that can add value both in research and in care. In September an improved version of our scanner was delivered, resulting in improved capacity to test new indications and to complete the evaluation of the breast cancer marker Her2. In our discussions with researchers and clinical pathologists it has become clear that there are several indications where there are problems with autofluorescence. This is an area where Lumito's product may make a major difference. These indications are now to be analysed and we intend to start studies for evidence. One example of this work, in addition to the breast cancer study is our ongoing pre-study in cooperation with Umeå University to map the potential application for our UCNP technology and the scope for improving the possibilities for exact diagnoses at the point of pancreatic cancer. We expect the result of this pre-study during the first half of 2022.

During the autumn we were networking at Digital Pathology & AI Congress in London where we also displayed a poster that attracted attention. During the congress we took part in several interesting discussions and meetings with several companies and research organisations in the diagnostics industry.

The company has completed the full ISO 13485 process to adhere to the quality management system required to produce and market medical technology products. We are now waiting for the final approval and the certificate.

In the fourth quarter a preferential rights issue was completed, bringing in approximately MSEK 50 and I would like to thank our shareholders and guarantors who gave us and our technology their support. The net liquidity in issue is used to finance the product development and finishing the first product for the research laboratories, and also for preparatory marketing work towards the European market. The production strategy shall be implemented and production will take the form of third party manufacturing.

It is obvious that the dedicated and intense work of Lumito's personnel is really starting to make its mark. We have a strong competent organisation and team on board. During the year we have strengthened our software and imaging competences and hired another two stars to our great team. Together we will continue the work of building a competitive product and a strong and attractive product offering, for future end customers as well as for potential industrial partners.

We know that we have a unique product which is capable of meeting a large and growing demand. Interest in continued digitalisation within the care sector is high, in my opinion and I am certain that Lumito will contribute with this novelty to the expansive digital pathology market. We are now looking ahead and plan to present results of our internal Her2 breast cancer study and the pre-study in respect of pancreatic cancer this year.

I look forward to finalising our product, initiate production and not least, to announce that we have our first customer and placed the product there.

Lund in February 2022

Mattias Lundin
CEO Lumito AB (publ)

[Link to Lumito's homepage with the full report.](#)

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This information is such that Lumito AB (publ) is required to make public in accordance with the EU's Market Abuse Regulation (MAR). The information was made public by the Company's contact person above on 17 February 2022 at 08:15 CET.

Lumito specializes in medical technology for digital pathology. Through its proprietary and patented technology, Lumito aims to provide healthcare providers with a powerful tool to meet the demands for fast and safe tissue diagnostics in personalized healthcare. The technology enables higher contrast images where unimportant background information is sorted out, making it easier for pathologists to find cancer indications. The technology, based on Up Converting Nano Particles (UCNP), has the potential to significantly improve the diagnosis of tissue samples through higher quality analyses and shorter analysis times. The method has several potential applications, but Lumito has chosen to focus primarily on digital pathology. The company is a spin-off from a research group at Lund University's Department of Atomic Physics and Laser Centre. www.lumito.se.

The share is traded on NGM Nordic SME, under the name LUMITO and Mentor is Mangold Fondkommission, tel. +46 (8) 5030 1550 and email, ca@mangold.se.