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Strategy update. Product launch in research laboratories planned for the end of 2022

By launching a product for research laboratories, Lumito enables market access by late 2022. The Company considers that there is business potential in research laboratories, which may generate sales as of 2022. In addition, it may draw media attention to the Company's technology and deepen understanding of the opportunities offered by the technology, moving forward.

The Company assesses that there are approximately 13,000 research laboratories and 26,000 clinical laboratories of varying size involved in histopathology around the world[1], and that the replacement rate of their instruments is seven to ten years. This would imply that the annual number of instrument replacements in research laboratories is approximately 1,300.

The product launch is primarily focused on Sweden and the Nordic countries, and subsequently on countries in Western Europe. Sales in Sweden and the Nordic countries are planned to be made by direct selling. Sales in other countries in Western Europe will be handled by distribution partners.

Two business models are in the works. The first model entails that Lumito sells the scanner as a capital good and reagents as a consumable, which results in recurring revenue.

The other envisaged model is commonly used in the IVD (In Vitro Diagnostics) market, and entails that the final customers (that is, the research laboratories) finance the capital goods by purchasing reagents, committing to the purchase of certain quantities over a longer contractual period. Lumito's assessment is that this business model would lower the threshold for adopting a novel technology.

A product targeted to research laboratories does not require a CE marking in accordance with the In-Vitro Diagnostic Regulation (IVDR), which is required for products intended for clinical use, only a more general CE marking where Lumito ensures that the product meets the relevant and environmental, health and safety requirements of relevant directives.

To enable and finance the strategy surrounding the product launch in the research laboratory segment and the long-term plan, which still is to launch a product aimed at the clinical IVD market, Lumito's Board of Directors announces that it intends to carry out a partially guaranteed rights issue.

This information is information that Lumito AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out in this press release, at 08:00 a.m. on November 5, 2021.

[1] the Swedish Society of Pathology – Departments of clinical pathology in Sweden

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Lumito specializes in medical technology for digital pathology. By means of its proprietary, patented technology, Lumito wants to equip healthcare providers with a powerful tool to meet the demand for fast and safe tissue diagnostics in personalized healthcare. The technology enables higher-contrast imaging where irrelevant background information is filtered out, making it easier for pathologists to identify cancer indications. The technology, which is based on Up Converting Nano Particles (UCNP), has the potential to improve tissue diagnostics significantly by enhancing the quality of analysis and shortening the analysis time. The technology has several possible application areas, but Lumito has initially decided to focus on digital pathology. The Company is a spin-off from a research group at the Division of Atomic Physics and Lund Laser Centre at Lund University. www.lumito.se.

The share is traded under the ticker LUMITO on the NGM Nordic SME, where the Company's mentor is Mangold Fondkommission, telephone: +468 503 015 50.