

Company Registration No. 03473597 (England and Wales)

**LUMIRADX CARE SOLUTIONS UK LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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# LUMIRADX CARE SOLUTIONS UK LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	V Ameye Dr N M Lindner
<b>Company number</b>	03473597
<b>Registered office</b>	1 North Crofty Tolvaddon Energy Park Camborne TR14 0HX
<b>Accountants</b>	Johnston Carmichael LLP 227 West George Street Glasgow G2 2ND

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**LUMIRADX CARE SOLUTIONS UK LIMITED**

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# LUMIRADX CARE SOLUTIONS UK LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their annual report and financial statements for the year ended 31 December 2021.

The company's immediate parent, LumiraDx Group Limited, has provided some of its UK subsidiaries with a guarantee under section 479A to 479C of the Companies Act 2006, meaning that the company is exempt from audit, hence these financial statements are unaudited.

#### Principal activities

The principal activity of the company continued to be that of software consultancy and supply.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

V Ameye

Dr M Sullivan

(Resigned 27 January 2022)

Dr N M Lindner

Dr R T Jones

(Resigned 27 January 2022)

#### Going concern

The financial statements are prepared on a going concern basis, the directors have assessed ability of the company to continue trading for a minimum period of 12 months from the date of authorising these financial statements. The directors have obtained a letter of financial support from its intermediate parent entity, and assessed the ability of the intermediate parent to provide the levels of financial assistance required to enable the company to meet its financial obligations as they fall due.

As explained at note 1.2, although the financial statements have been prepared on a going concern basis, the directors acknowledge that there is a material uncertainty over the ability of the wider group to obtain covenant waivers or to restructure the group's existing loan facilities where actual results achieved adversely vary from the group's forecast plan. The group has a positive track record of restructuring debt and obtaining covenant waivers where required however there is no guarantee that either would be obtained if required again in the future.

#### Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

9/30/2022

DocuSigned by:

Veronique Ameye

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Veronique Ameye

Director

Date: .....

## **LUMIRADX CARE SOLUTIONS UK LIMITED**

### **REPORT TO THE DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF LUMIRADX CARE SOLUTIONS UK LIMITED**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of LumiraDx Care Solutions UK Limited for the year ended 31 December 2021 which comprise the profit and loss account, the balance sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of ICAS we are subject to its ethical and other professional requirements which are detailed at <https://icas.com/icas-framework-preparation-of-accounts>.

This report is made solely to the Board of Directors of LumiraDx Care Solutions UK Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of LumiraDx Care Solutions UK Limited and state those matters that we have agreed to state to the Board of Directors of LumiraDx Care Solutions UK Limited, as a body, in this report in accordance with the requirements of the ICAS as detailed at <https://icas.com/icas-framework-preparation-of-accounts>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than LumiraDx Care Solutions UK Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that LumiraDx Care Solutions UK Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of LumiraDx Care Solutions UK Limited. You consider that LumiraDx Care Solutions UK Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of LumiraDx Care Solutions UK Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

*Johnston Carmichael LLP*

**Johnston Carmichael LLP**

**Chartered Accountants**

30/09/2022

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227 West George Street  
Glasgow  
G2 2ND

**LUMIRADX CARE SOLUTIONS UK LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2021**


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	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>	2,044,619	2,126,036
Cost of sales	(243,204)	(286,999)
	<hr/>	<hr/>
<b>Gross profit</b>	1,801,415	1,839,037
Administrative expenses	(834,190)	(1,528,860)
Other operating income	77,024	344,801
	<hr/>	<hr/>
<b>Operating profit</b>	1,044,249	654,978
Interest receivable and similar income	2,919	1
Interest payable and similar expenses	(65,583)	(73,141)
	<hr/>	<hr/>
<b>Profit before taxation</b>	981,585	581,838
Tax on profit	-	-
	<hr/>	<hr/>
<b>Profit for the financial year</b>	<u>981,585</u>	<u>581,838</u>

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# LUMIRADX CARE SOLUTIONS UK LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	4		13,342		10,471
<b>Current assets</b>					
Stocks		594		-	
Debtors	5	460,281		864,549	
Cash at bank and in hand		1,810,593		1,066,996	
		<u>2,271,468</u>		<u>1,931,545</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(968,310)</u>		<u>(1,607,101)</u>	
<b>Net current assets</b>			<u>1,303,158</u>		<u>324,444</u>
<b>Total assets less current liabilities</b>			<u>1,316,500</u>		<u>334,915</u>
<b>Creditors: amounts falling due after more than one year</b>	7		<u>(1,653,000)</u>		<u>(1,653,000)</u>
<b>Net liabilities</b>			<u>(336,500)</u>		<u>(1,318,085)</u>
<b>Capital and reserves</b>					
Called up share capital	8		34		34
Profit and loss reserves			<u>(336,534)</u>		<u>(1,318,119)</u>
<b>Total equity</b>			<u>(336,500)</u>		<u>(1,318,085)</u>

For the financial year ended 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 30th September 2022 and are signed on its behalf by:

9/30/2022

DocuSigned by:

Veronique Ameye

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Veronique Ameye  
Director

Company Registration No. 03473597

# LUMIRADX CARE SOLUTIONS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

##### Company information

LumiraDx Care Solutions UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 North Crofty Tolvaddon Energy Park, Camborne, TR14 0HX.

##### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

The Company's ultimate parent company, LumiraDx Limited, ("the Group") has financed its operations principally through issuances of debt and equity securities, and the Group requires ongoing additional funding to continue to develop its commercial operations and research and development projects for future products.

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that the Group will have sufficient funds to meet their liabilities as they fall due for that period (the going concern period).

The Group has minimum committed expenses including payroll for current employees, lease and other contractual commitments and interest payments on debt obligations of approximately \$13,000,000 per month; however, the Group will be required to spend considerably more in order to continue to execute on its entire strategic business plan.

In March 2022 the Group entered into privately negotiated subscription agreements with certain investors wherein the Group sold and investors purchased \$56,500,000 of Convertible Senior Subordinated Notes due 2027. The notes bear annual interest of 6%, payable semi-annually in arrears starting September 1, 2022. The notes mature on March 1, 2027 and are convertible at the holder's option at an initial conversion rate of approximately \$9.22 per share.

In April 2022 the Group consummated the first closing of a private placement offering pursuant to which it received an initial investment of \$26,100,000 in cash and entered into an Instrument Financing Agreement with USB Focus Fund LumiraDx 2A, LLC, USB Focus Fund LumiraDx 2B, LLC and certain other related investors (collectively, the "Investors"), and Pear Tree Partners, L.P. The terms of the Instrument Financing Agreement provide that the Investors may invest up to an aggregate maximum amount of \$50,000,000 in the Group, or such higher amount as agreed to by the Company and the Investors (the "Invested Amount"), in one or more closings, in order to fund the purchase of additional LumiraDx instruments, allowing the Group to further expand instrument placements. In consideration of such investment, the Group has agreed to pay to the Investors on a semi-annual basis and over a three-year period (subject to extension in certain events), a payment that is equal to 20% of the total gross amount invoiced by the Group in respect of sales of test strips for use in such funded LumiraDx instruments which are allocated to the Invested Amount by the Company in accordance with the terms of the Instrument Financing Agreement (the "Instrument Financing Payments"). In June 2022 the Group closed an additional \$15,400,000 with the Investors.



# LUMIRADX CARE SOLUTIONS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1 Accounting policies

(Continued)

##### Going concern (continued)

The 2021 Senior Secured Loan matures in March 2024 and contains customary covenants including achieving certain revenue levels for the years ending December 31, 2021, 2022 and 2023 and maintaining minimum liquidity levels. The Group met the 2021 revenue covenant and has met the minimum liquidity levels. For the 2022 revenue covenant and quarterly liquidity levels, the Group's short-term revenue prospects and liquidity levels will vary with the amount of demand for its SARS-CoV-2 products. While the directors believe that the Group's SARS-CoV-2 products will continue to remain in high demand as COVID-19 vaccines are available, the continued efficacy of such vaccines or the mitigation of the COVID-19 pandemic earlier than expected for any other reason could negatively impact demand for the Group's Platform and sales of its Instrument, test strips and other products. In addition, competitors may produce more accurate tests or tests which receive more favorable demand, both of which may impact the Group's revenue streams and ability to meet the covenants.

On June 17, 2022, the Group entered into a second amendment to the 2021 Senior Secured Loan, to provide for, among other things, immediate revisions to the minimum net sales and the minimum liquidity covenants (the "Amendment"). If the Group completes a Qualifying Financing as defined in the Amendment, further revisions to the covenants take effect.

In July, the Group closed a secondary public stock offering. The gross proceeds from the offering were \$75,000,000. In addition to the shares being sold in the public offering, the Group also sold additional shares to raise gross proceeds of approximately \$25,000,000 in a concurrent private placement to one of its existing investors, the Bill & Melinda Gates Foundation. The underwriters had a 30-day option to purchase additional common shares at the public offering price and purchased \$7,000,000 of shares in August. In total, the Group received net proceeds of approximately \$100,000,000 after fees and commissions.

The directors believe that, if necessary, they will be able to obtain waivers of covenant violations or restructure the existing obligations, although there are no guarantees that these will be achieved. The directors believe the Group and company will be able to meet their liabilities as they fall due for the going concern period and have therefore prepared the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt on the Group's and the company's ability to continue as a going concern and therefore, to continue realizing their assets and discharging their liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

# LUMIRADX CARE SOLUTIONS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1 Accounting policies

(Continued)

##### 1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Trademarks, patents & licences	Straight line over 10 years
--------------------------------	-----------------------------

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	Straight line over 3 years
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the profit and loss account.

##### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account.

##### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the profit and loss account. Reversals of impairment losses are also recognised in the profit and loss account.

# LUMIRADX CARE SOLUTIONS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include certain debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# LUMIRADX CARE SOLUTIONS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1 Accounting policies

(Continued)

##### **Basic financial liabilities**

Basic financial liabilities, including certain and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the profit and loss account on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in the profit and loss account.

#### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	28	54

# LUMIRADX CARE SOLUTIONS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Intangible fixed assets

	Trademarks, patents & licences £
<b>Cost</b>	
At 1 January 2021	51,128
Disposals	(51,128)
	<hr/>
At 31 December 2021	-
	<hr/>
<b>Amortisation and impairment</b>	
At 1 January 2021	51,128
Disposals	(51,128)
	<hr/>
At 31 December 2021	-
	<hr/>
<b>Carrying amount</b>	
At 31 December 2021	-
	<hr/>
At 31 December 2020	-
	<hr/>

### 4 Tangible fixed assets

	Plant and machinery etc £
<b>Cost</b>	
At 1 January 2021 and 31 December 2021	245,632
	<hr/>
<b>Depreciation and impairment</b>	
At 1 January 2021	235,161
Depreciation charged in the year	2,279
Other changes	(5,150)
	<hr/>
At 31 December 2021	232,290
	<hr/>
<b>Carrying amount</b>	
At 31 December 2021	13,342
	<hr/>
At 31 December 2020	10,471
	<hr/>

# LUMIRADX CARE SOLUTIONS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 5 Debtors

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	253,642	338,233
Amounts owed by group undertakings	192,710	451,980
Other debtors	13,929	74,336
	<u>460,281</u>	<u>864,549</u>

#### 6 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	120	8,550
Taxation and social security	87,691	153,394
Other creditors	880,499	1,445,157
	<u>968,310</u>	<u>1,607,101</u>

#### 7 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Other creditors	<u>1,653,000</u>	<u>1,653,000</u>

#### 8 Called up share capital

	2021	2020	2021	2020
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
A Ordinary of 1p each	3,100	3,100	31	31
B Ordinary of 1p each	100	100	1	1
D Ordinary of 1p each	105	105	1	1
F Ordinary of 1p each	50	50	1	1
	<u>3,355</u>	<u>3,355</u>	<u>34</u>	<u>34</u>

#### 9 Financial commitments, guarantees and contingent liabilities

Following finance put in place in March 2021, the company is a guarantor in respect of certain borrowings of LumiraDx Limited, the ultimate parent company, and LumiraDx Investment Limited, a subsidiary of intermediate parent company LumiraDx Group Limited. These borrowings have been secured by a fixed and floating charge over the company's assets.

# LUMIRADX CARE SOLUTIONS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 Operating lease commitments

#### Lessee

Operating lease payments represent rentals payable by the company for the property from which it operates.

At the reporting end date the company had outstanding commitments for future minimum lease payments under these operating lease agreements, as follows:

2021	2020
£	£
115,152	138,353

### 11 Events after the reporting date

#### Convertible Notes

In March 2022 the Group entered into privately negotiated subscription agreements with certain investors wherein the Group sold, and investors purchased, \$56,500,000 of Convertible Senior Subordinated Notes due 2027. The notes bear annual interest of 6%, payable semi-annually in arrears starting September 1, 2022. The notes mature on March 1, 2027 and are convertible at the holder's option at an initial conversion rate of approximately \$9.22 per share.

#### Instrument Financing Agreement

On April 27, 2022 the Group consummated the first closing of a private placement offering pursuant to which it received an initial investment of \$26,100,000 in cash and entered into a Instrument Financing Agreement (the "Instrument Financing Agreement") with USB Focus Fund LumiraDx 2A, LLC, USB Focus Fund LumiraDx 2B, LLC and certain other related investors (collectively, the "Investors"), and Pear Tree Partners, L.P. The terms of the Instrument Financing Agreement provide that the Investors may invest up to an aggregate maximum amount of \$50,000,000 in the Company, or such higher amount as agreed to by the Group and the Investors (the "Invested Amount"), in one or more closings, in order to fund the purchase of additional LumiraDx instruments, allowing the Group to further expand instrument placements. In consideration of such investment, the Group has agreed to pay to the Investors on a semi-annual basis and over a three-year period (subject to extension in certain events), a payment that is equal to 20% of the total gross amount invoiced by the Group in respect of sales of test strips for use in such funded LumiraDx instruments which are allocated to the Invested Amount by the Group in accordance with the terms of the Instrument Financing Agreement (the "Instrument Financing Payments").

If by the end of the applicable three-year term, the Investors have not received, in aggregate, Instrument Financing Payments equal to or in excess of two times the Invested Amount, the Group shall, at its sole discretion, either: (i) issue to the Investors an aggregate amount of the Group's common shares, \$0.0000028 par value per common share, equal in value to the difference between the Target Return and the total Instrument Financing Payments received by the Investors, at a price per Common Share equal to the volume-weighted average price of the Common Shares for the 20 Nasdaq trading day period immediately following the applicable Expiry Date, but subject to a minimum price per Common Share of \$7.25; or (ii) pay to the Investors the applicable Instrument Financing Shortfall in cash.

In June 2022 the Group closed an additional \$15,400,000 with the Investors.

#### Loan Amendments

On June 17, 2022, the Group entered into a second amendment to the 2021 Senior Secured Loan, to provide for, among other things, revisions to the minimum net sales and the minimum liquidity covenants (the "Amendment"). If the Group completes a Qualifying Financing as defined in the Amendment, further revisions to the covenants take effect.

# LUMIRADX CARE SOLUTIONS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 11 Events after the reporting date

(Continued)

##### Loan Amendments (continued)

In exchange for the covenant amendments described above, the Group agreed to an increase in the facility fee to be paid to Pharmakon on any repayment, including prepayment, of amounts borrowed under the Loan Agreement and agreed to amend the exercise price for 1,485,848 outstanding warrants to purchase common shares of the Group that are held by the lender. The warrants were issued with an original exercise price equal to \$10.00 per common share. In connection with the Amendment described above, the exercise price was changed from \$10.00 to, in the event of a Qualifying Financing that is completed on or prior to December 31, 2022, a price equal to the lower of the offer price to investors in such Qualifying Financing or the per share daily volume-weighted average price of the common shares calculated on the basis of the ten Nasdaq trading days ending on the trading day immediately prior to the announcement of a Qualifying Financing. If a Qualifying Financing has not been completed on or prior to December 31, 2022, the amended exercise price for the warrants would be determined on the basis of the per share daily volume-weighted average price of the common shares calculated on the basis of the ten Nasdaq trading days ending December 31, 2022.

In July 2022 the Group entered into a third amendment which reduced the definition of Qualifying Financing to be at least \$100,000,000 (or its equivalent in another currency or currencies).

##### Public Offering

In July 2022, the Group closed a secondary public stock offering. The gross proceeds from the offering were \$75,000,000. In addition to the shares being sold in the public offering, the Group also sold additional shares to raise gross proceeds of approximately \$25,000,000 in a concurrent private placement to one of its existing investors, the Bill & Melinda Gates Foundation. The underwriters of the public offering had a 30-day option to purchase additional common shares at the public offering price and purchased \$7,000,000 of shares in August 2022. In total, the Group received net proceeds of approximately \$100,000,000 after fees and commissions.

#### 12 Related party transactions

The company has taken advantage of the exemption available in FRS 102 1A whereby it has not disclosed transactions with the immediate parent or any wholly owned subsidiary undertaking of the group.

#### 13 Parent and ultimate parent undertaking

The parent of the smallest group in which these financial statements are consolidated is Lumiradx Group Limited, whose registered address is 3 More London Riverside, London, SE1 2AQ.

The ultimate controlling party is LumiraDx Limited, a company registered in the Cayman Islands.