

ANGELO RAGO:

Alright everyone, now we make a transition...a pretty big transition that you will see. Even the color of the slides will change specifically because we're moving from Diasorin, immuno-molecular, selling directly to end customers such as hospital systems to our Licensed Technology Group. The Licensed Technology Group is truly enabling partners to innovate based on a set of technologies. It is a true B2B business. It is not selling ultimately to the end customer. So I want to be able to walk you through that today and have you understand the business model and the structure.

So, one, it's mainly a B2B business, more than 95% of the business is B2B. The other part of it is that we are not...our technology is truly licensed. So when we call it a Licensed Technology Group, you might wonder, that's a strange term. The reason we use that term is the entire business is built on licensing technology, whereas our diagnostic business is truly there to sell to end customers. In the Licensed Technology business, we enable diagnostic partners to sell immuno and other technologies utilizing our xMAP technology. This is the difference between the 2 technologies and why you see and saw that our Luminex brand stays with the core technologies of decades that has been built here in Austin, Texas, decades stays on this xMAP technology that is licensed to partners around the world.

So I will go deeper into that today. When we talk about the business model, the main components of the business model that, I'll deep dive into are instruments, beads, and our royalties. And the royalties are paid to us based on our partners' sales to their end-users. So these are the main 3 components of the business model that we have in Luminex.

Now, I can tell you personally, being with the company almost 2 years now, I see the LTG business as a diamond in the rough. It's an opportunity and you will see with so many different applications that this technology can be used, why it's been around for decades and why

it will be around for decades to come. So I will walk you through that journey together as we understand the LTG business at Luminex.

So now to start working through the business model, and the 3 pillars of instruments, beads, and royalties. We start with instruments. We have here our Intelliflex, our newest platform that's part of an entire portfolio of products that we provide to our partners. The Intelliflex was launched in 2021 and has an interesting opportunity to actually have what we call a dual reporter, and that dual reporter allows us to have 2 parameters per analyte simultaneously reported. So this is an advancement and the newest that we have in our multiplexing technology. It's truly the top of the portfolio, but we have several other products that we provide that are based on price and performance based on the needs of our partners.

The second pillar is our beads. Now, here this is a very interesting element because we have produced with the manufacturing expertise that we have over 100 trillion microspheres since the beginning of Luminex. And it's not just about producing these microspheres, but it's the fact that we have highly reliable and reproducible processes that allow our partners who are, for instance, in diagnostics to have a product that they can get...go through the registration process with the FDA. And this is a critical element of that. So the ability to create high quality, high performance beads is a critical part of it.

Secondly, there's the versatility. You'll see in a few minutes the vast amount of applications that we have with our life science partners as well as our diagnostic partners. And then lastly, the amount of reads...the amount of read we can do inside of a single well is very high, we call it 3D, 500 plus, 500 analyte targets in one well, meaning that you can see that all at one time and be able to see a large level of complex messages or information when you are searching for the antibodies that are of importance to you.

Now, we go lastly to royalties. This graphic tries to help us and we have tried to find a way to describe and create a parallel of what our beads and instruments and how they all fit together. So, we have tried to use this example equating beads to eggs, and our instrument to mixers, and the expertise that we bring is what we are referring to as the cookbook. And we work with partners in life sciences. This example is life sciences, but you could do it with diagnostics as well.

In life sciences, where we are selling or providing our instruments and our beads to our partners. They are adding their elements like you would in baking a cake, other elements, and they create their assays based on the needs of their end-users that we have depicted in this graphic as the cake at the end. So, this entire process goes through and based on the fact that they are successful in selling their assays, we then have royalties that we collect on the end-user sales of our partners based on their success, which is a very interesting part of the business model, because if they are not successful, we are not successful, because we don't get the royalty payment.

So, clearly our objective is to truly ensure that our partners are successful because we see the value of that as well as they do. We have also depicted on this graphic the lower portion. In this case, we do sell and make our technology available to some pharma and bio-pharma companies. Now this...in this case is not royalty bearing because what companies like a Pfizer might do is that they brew their own or make their own assays for experimentation, for operations, different things where there isn't a standard assay or kit available from our partners so they want to create their own.

So, this is a small part of the business, but we still make it available so that our partners can be successful and eventually it could be that some things developed by our pharma company and they bring it back to a partner like MilliporeSigma or Bio-Techne and say we would like you to produce such an assay for us. So, that process works in that way,

but allows really the capabilities and competences of a company like Pfizer to continue to work. So, to clarify exactly who we serve, we have 3 segments, our diagnostic segment, our life sciences segment and our bio-pharma segment.

In our diagnostic segment, a majority of our revenues come from diagnostic kits, transplant, autoimmune, oncology. There are also testing services. There are companies out there that are in LDT that create homebrew tests or special tests for special applications that are required and we give them access to our technology as well.

The interesting thing for me is the middle of this chart when we talk about life sciences. Life science, academic research and applied research, this is really the wellspring of where these new technologies and ideas come. We have over 70,000 peer review papers on our technology, on xMAP and continue to be published every year. And that is the opportunity where the small ideas become start-ups and eventually become companies that use our technology that develop products. And this is the true opportunity for us to continue to grow and I'll speak to that in a minute, how we can continue to grow. Of course, in that research, there could also be work that becomes a treatment or a drug or a vaccine that can also utilize our technology in the bio-pharma space.

Here what we have done is tried to give you an understanding of how the partner lifecycle works, because we just don't sell an instrument and beads to a partner and then all of a sudden they can sell it and make something. They need to make and develop their products. So, there is stages and we have tried to lay that out for you here. There is the scouting or ideation phase. This is where people are kicking the tires on our technology. They are interested in it. They are trying to see if it really works in their application. If they agree, and it does work, then they move to the development phase. This is really where the R&D work is, right? RUO or IVD, this is really where the work

begins to really understand how they can create the product and of course if it's an IVD application, they go then in the commercialization and/or FDA approval process and go on to clinical studies and do all the necessary work to have the evidence to make it a product which we call it in the maturity phase when it's on the market.

The bottom of this chart, we tried to depict the timeframes for diagnostic life sciences and bio-pharma where you see how long it takes from the time we give them access to our technology till we see those royalty payments at the end, it's years, and that is the difference where we can't just walk away from a B2B partner and say well have a good time. They need to be able to develop their products, so that we can both see the benefit of that through those royalties, and this is where we support through resources, through technology, through improvements in our team to ensure that they can be successful.

On this slide, what we have tried to do is now map where our current partners are, roughly between each of those segments and of course there is more than 70 of them. Our majority of our focus is truly diagnostic and life science partners. Like we said, there is always an opportunity in bio-pharma, but there we are really there to serve an opportunity for specific partners. In this case, we really focus on diagnostics and life sciences and we will continue to look for new applications of potential partners to continue to grow the number of partners we have.

Now, we come to an area that really excites me, and that is the new frontier in diagnostics, and as you can see here, proteomics, genomics, all these things play together in the future in the development of treatments, and the fact that we have the privilege that our xMAP technology can be present in what could be the future of identifying personalized medicine is a critical part, and it will play a role in the key trends and challenges that are out there addressing the costs of

healthcare and ensuring that the right treatment is going to the right patient.

This will allow us to do that, and I have an example to show you here next, but the important thing is that one thing that happens when you bring all of this information together, there is a ton of data, and it's a perfect application for machine learning and AI and our partners are building those capabilities so that they can take the data from our technology but others as well and bring it together to give them the signals that they need, the information they need to really be able to move medicine forward.

Here is an example with our partner Bio-Techne where we are partnering in the area of multi-cancer early detection, and there is incredible opportunities to improve treatment, reduce treatment costs and enhance quality of life. This is an exciting part. This is the reason I come to work every day is to make an impact in patients' lives and this technology has an impact to do that and we continue to look for opportunities not just with Bio-Techne but all of our partners in diagnostics and life sciences to ensure that we can create more value. It's not just about the boxes, not just about the beads, what else can we do to help them succeed, because if they succeed, we succeed and that's the exciting part of this business model.

So, here as I bring LTG to a close, what I have given and shown you here is the original 3 business segments, and those that are greyed in area are opportunity areas or search areas where there could be even potential new applications of our technology with potentially new partners. Could be with our current partners or it could be with new partners. So, we're very excited to know and look for opportunities to grow the LTG business in the future simply through these partnerships and an amazing technology that has applications today and into the future.

With that, I have the great privilege of turning the mike over to my good friend Dustin.