



**Half Year Ended 31 December 2021**

**Appendix 4D  
and  
Half Year Financial Report**

**Atomo Diagnostics Limited**  
**Appendix 4D**  
**Half Year Financial Report**

**1. Company details**

Name of entity: Atomo Diagnostics Limited  
ABN: 37 142 925 684  
Reporting period: For the half-year ended 31 December 2021  
Previous period: For the half-year ended 31 December 2020

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**2. Results for announcement to the market**

				<b>AUD</b>
Revenues from ordinary activities	up	17%	to	\$ 5,343,469
Loss from ordinary activities after tax attributable to the owners of Atomo Diagnostics Limited	down	-5%	to	\$ 2,424,213
Loss for the half-year attributable to the owners of Atomo Diagnostics Limited	down	-8%	to	\$ 2,460,307

*Dividends*

No dividends were paid or proposed during the half-year ended 31 December 2021.

*Comments*

Refer to the 'Operating and Financial Review' within the Directors' Report for further commentary on the half-year's results, financial position and likely developments in future years.

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**3. Net tangible assets**

	<b>Reporting period AUD Cents</b>	<b>Previous period AUD Cents</b>
Net tangible assets per ordinary security	<u>4.28</u>	<u>5.38</u>

The net tangibles assets / (liabilities) per ordinary security is calculated based on 568,597,807 ordinary shares on issue as at 31 December 2021, and 565,397,807 shares that were on issue as at 31 December 2020.

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**4. Control gained over entities**

Not applicable

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**5. Loss of control over entities**

Not applicable

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**6. Details of associates and joint ventures**

Not applicable

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**7. Review qualification or review**

The financial statements have been reviewed and an unqualified opinion has been issued.


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**8. Attachments**

The Half-Year Financial Report of Atomo Diagnostics Limited for the half-year ended 31 December 2021 is attached.

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**9. Signed**

Signed  \_\_\_\_\_

Date: 21 February 2022

John Keith  
Chair  
Sydney

# **Atomo Diagnostics Limited**

ABN 37 142 925 684

## **Interim Financial Statements**

**For the Half-Year Ended 31 December 2021**

**Atomo Diagnostics Limited**  
**Corporate Directory**  
**31 December 2021**

<b>Directors</b>	John Keith (Chair & Independent Non-Executive Director) John Kelly (Managing Director) Curt LaBelle (Non-Executive Director) Paul Kasian (Non-Executive Director) Deborah Neff (Non-Executive Director)
<b>Company secretary</b>	Tharun Kuppanda
<b>Registered office</b>	Level 1 3 - 5 George Street Leichhardt NSW 2040
<b>Principal place of business</b>	Level 1 3 - 5 George Street Leichhardt NSW 2040
<b>Share register</b>	Link Market Services Limited Level 12 680 George Street Sydney NSW 2000
<b>Auditor</b>	BDO Audit Pty Ltd Level 11, 1 Margaret Street Sydney NSW 2000
<b>Solicitors</b>	HWL Ebsworth Lawyers Level 14, Australia Square 264 - 278 George Street Sydney NSW 2000
<b>Stock exchange listing</b>	Atomo Diagnostics Limited shares are listed on the Australian Securities Exchange (ASX code: AT1)
<b>Website</b>	<a href="http://www.atomodiagnosics.com">www.atomodiagnosics.com</a>

# Atomo Diagnostics Limited

## Directors' Report

### 31 December 2021

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Atomo Diagnostics 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 2021.

All amounts are presented in Australian dollars (AUD) unless otherwise stated.

#### Directors

The following persons were directors of Atomo Diagnostics Limited during the half-year and up to the date of this report. The directors were in office for this entire period unless otherwise stated:

Director	Appointed	Resigned
John Keith (Chair & Independent Non-Executive Director)	2 December 2011	n/a
John Kelly (Managing Director)	1 April 2010	n/a
Curt LaBelle (Non-Executive Director)	1 April 2010	n/a
Paul Kasian (Non-Executive Director)	4 February 2020	n/a
Connie Carnabuci (Non-Executive Director)	4 February 2020	9 December 2021
Deborah Neff (Non-Executive Director)	15 September 2021	n/a

Gillian Nairn was appointed as Company Secretary on 4 February 2020 and resigned on 31 January 2022. On 25 January 2022, Tharun Kuppanda was appointed as Company Secretary.

#### Operating & Financial Review

##### *Principal activities*

The principal activities of the Group during the course of the half-year were the development, supply and sale of medical devices.

There were no significant changes in the nature of the activities of the Group during the half-year.

##### *Review of operations*

The loss for the Group for the half-year to 31 December 2021 after providing for income tax amounted to \$2,424,213 (31 December 2020: \$2,549,912).

During the period, revenue of \$5,343,469 from ordinary operating activities comprised COVID-19 rapid test sales in Australia (\$4.51m) and HIV sales (\$0.77m), as the pandemic continued to distort global rapid testing markets. In addition, revenue of \$1.65m was received from licence and settlement fees during the period from Access Bio, Inc, bringing total revenue from customers to approximately \$7.0m for the period (an increase of 53% on the prior comparable period H1 FY21, of \$4.58m).

Cash and cash equivalents as at 31 December 2021 amounted to \$13.7 million compared to \$17.9 million as at 30 June 2021.

##### *Significant changes in the state of affairs*

- On 25 August 2021, 1,733,333 options issued to executives under the Company's Post IPO option plan lapsed as the KPI's applicable to the options were not satisfied with respect to the year ended 30 June 2021.
- On 8 November 2021, the Company issued 1,079,999 options to executives under the Company's Post-IPO option plan to reward the diligent execution of the corporate strategy and to ensure retention of the key talent needed to deliver strategic outcomes in the interest of shareholders.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Group during the half-year to 31 December 2021.

**Atomo Diagnostics Limited**  
**Directors' Report**  
**31 December 2021**

*Matters subsequent to the end of the financial half year*

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial periods.

*Impacts of Covid-19*

Throughout the half-year to 31 December 2021, the Covid-19 pandemic has continued to significantly impact the global rapid testing landscape and markets. This has benefited the Company as sales of its Covid-19 rapid test, especially in Australia, have grown significantly when compared with prior periods. There have been impacts on global logistics and supply chains that have added to the Company's transport costs and to underlying cost of goods. There has also been an impact to the Company's OEM customer pipeline as diagnostic partners have primarily focussed on opportunities related to Covid-19 rapid antigen testing and as a consequence, have delayed or deferred the development of tests outside of COVID.

*Likely developments and expected results of operations*

Atomo has continued to provide support to customers in need of Covid-19 rapid testing solutions, particularly in Australia, as the second half of the year has commenced, and this is anticipated to continue in to the second half of the financial year. In addition, Atomo has actively pursued further growth in its HIV business both in international markets, through its expanding partnerships with Viatris in LMIC markets and Owen Mumford in Europe, as well as in its own local market in Australia following recent amendments by the TGA to rules that allow sales through pharmacy channels and direct advertising and marketing of the Atomo HIV Self-Test and Atomo's direct to consumer channel in Australia.

R&D activity remains focussed on successfully completing and commissioning the second-generation blister machine, and on the development of further innovative devices and products for rapid testing more broadly. In particular, there has been ongoing investment in research and development of devices to support testing of samples other than blood, including swab and saliva. Atomo continues to pursue opportunities to enter new markets internationally, including the US.

**Environmental Regulation**

The Group's operations are not subject to any significant environmental regulation under both Australian Commonwealth or State law. The Board believes that the Group has adequate systems in place for the management of its environmental requirements.

**Shares Under Option**

Unissued ordinary shares of Atomo Diagnostics under option as at the date of this report are as follows:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number of Options</b>
14 April 2022	\$0.03	2,293,184
6 April 2022	\$0.16	6,800,000
11 April 2023	\$0.16	4,800,000
14 April 2024	\$0.25	1,613,332
14 April 2025	\$0.25	2,266,666
14 April 2026	\$0.25	2,266,668
30 April 2024	\$0.40	2,000,000
30 April 2024	\$0.60	2,000,000
<b>Total</b>		<b><u>24,039,850</u></b>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

**Atomo Diagnostics Limited**  
**Directors' Report**  
**31 December 2021**

**Shares Issued on the Exercise of Options**

No ordinary shares of Atomo were issued during the half-year and up to the date of this report on the exercise of options granted.

**Indemnity and Insurance of Officers**

The Company has indemnified the Directors and Executives of the Group for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial half-year, the Group paid a premium in respect of a contract to insure the Directors and Executives of the Group against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**Indemnity and Insurance of the Auditor**

The Group has not, during or since the financial half-year end, indemnified or agreed to indemnify the auditor of the Group or any related entity against any liability incurred by the auditor.

During the financial half-year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

**Proceedings on behalf of the Group**

No person has applied to the Court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

**Rounding of Amounts**

The Group 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 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 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors:



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John Keith  
Chair

21 February 2022  
Sydney



**DECLARATION OF INDEPENDENCE BY GARETH FEW TO THE DIRECTORS OF ATOMO  
DIAGNOSTICS LIMITED**

As lead auditor for the review of Atomo Diagnostics Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



**Gareth Few**  
Director

**BDO Audit Pty Ltd**

Sydney, 21 February 2022

**Atomo Diagnostics Limited**  
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**31 December 2021**

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**General Information**

The financial statements cover Atomo Diagnostics Limited as a consolidated entity consisting of Atomo Diagnostics Limited and the entities it controlled at the end of, or during, the half-year to 31 December 2021.

The financial statements are presented in Australian Dollars, which is Atomo Diagnostics Limited's functional and presentation currency.

Atomo Diagnostics Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered and principal place or business are:

**Registered office**

Level 1  
3 - 5 George Street  
Leichhardt NSW 2040

**Principal place of business**

Level 1  
3 - 5 George Street  
Leichhardt NSW 2040

A description of the nature of the Group'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 21 February 2022. The Directors have the power to amend and reissue the financial statements.

**Atomo Diagnostics Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Half-Year Ended 31 December 2021**

		<b>Consolidated</b>	
		<b>For the Half Year Ended</b>	
	<b>Note</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
Revenue	2	5,343,469	4,578,620
Costs of sales		<u>(3,581,622)</u>	<u>(2,053,676)</u>
<b>Gross profit</b>		<b><u>1,761,847</u></b>	<b><u>2,524,944</u></b>
Other income	2	2,158,466	108,762
Employee benefits expense	3(a)	(2,107,708)	(2,125,137)
Foreign exchange gains / (losses)		47,117	(421,088)
Depreciation and amortisation	3(b)	(936,290)	(492,659)
Research and development expenses		(743,374)	(476,977)
Insurance		(218,401)	(143,349)
Inventory obsolescence expense		(55,581)	(94,190)
IT expenses		(134,927)	(126,594)
Occupancy expenses		(42,007)	(6,663)
Professional and consulting fees expense		(1,304,317)	(690,842)
Regulatory expenses		(236,697)	(213,324)
Travel expenses		(23,608)	16,655
Other expenses		<u>(588,358)</u>	<u>(474,709)</u>
<b>Results from operating activities</b>		<b><u>(2,423,838)</u></b>	<b><u>(2,615,171)</u></b>
Finance income	3(c)	4,835	67,854
Finance costs	3(c)	<u>(5,210)</u>	<u>(2,595)</u>
<b>Net finance income / (cost)</b>	<b>3(c)</b>	<b><u>(375)</u></b>	<b><u>65,259</u></b>
<b>Loss before income tax</b>		<b><u>(2,424,213)</u></b>	<b><u>(2,549,912)</u></b>
Income tax (expense) / benefit		-	-
<b>Loss for the year</b>		<b><u>(2,424,213)</u></b>	<b><u>(2,549,912)</u></b>
<b>Other comprehensive income and expenses</b>			
Foreign currency translation reserve		(36,094)	(136,347)
<b>Total comprehensive income for the period</b>		<b><u>(2,460,307)</u></b>	<b><u>(2,686,259)</u></b>
<b>Loss per share for profit attributable to owners of Atomo Diagnostics Limited</b>			
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	13	(0.43)	(0.45)
Diluted earnings per share	13	(0.43)	(0.45)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Atomo Diagnostics Limited**  
**Statement of Financial Position**  
**As at 31 December 2021**

		<b>Consolidated</b>	
		<b>As at</b>	
	<b>Note</b>	<b>31 December 2021</b>	<b>30 June 2021</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	13,683,484	17,946,517
Trade and other receivables		2,842,536	4,494,368
Inventories		5,349,944	3,042,245
<b>Total current assets</b>		<b>21,875,964</b>	<b>25,483,130</b>
<b>Non-current assets</b>			
Property, plant and equipment	5	4,203,840	3,662,977
Right-of-use assets		395,300	66,865
Intangible assets	6	3,554,190	3,025,834
<b>Total non-current assets</b>		<b>8,153,330</b>	<b>6,755,676</b>
<b>Total assets</b>		<b>30,029,294</b>	<b>32,238,806</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		1,462,074	1,783,958
Lease liabilities		121,753	67,589
Employee benefits		239,643	276,804
<b>Total current liabilities</b>		<b>1,823,470</b>	<b>2,128,351</b>
<b>Non-current liabilities</b>			
Lease liabilities		299,302	-
Employee benefits		32,455	23,074
<b>Total non-current liabilities</b>		<b>331,757</b>	<b>23,074</b>
<b>Total Liabilities</b>		<b>2,155,227</b>	<b>2,151,425</b>
<b>Net assets</b>		<b>27,874,067</b>	<b>30,087,381</b>
<b>Equity</b>			
Issued capital	7	67,921,661	67,921,661
Foreign currency translation reserve		(191,596)	(227,690)
Share based payment reserve		887,832	713,027
Accumulated losses		(40,743,830)	(38,319,617)
<b>Total equity</b>		<b>27,874,067</b>	<b>30,087,381</b>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Atomo Diagnostics Limited**  
**Statement of Changes in Equity**  
**For the Half-Year Ended 31 December 2021**

	Issued Capital	Foreign Currency Translation Reserve	Share Based Payment Reserve	Accumulated Losses	Total Equity
<b>Balance as at 1 July 2020</b>	<b>66,514,571</b>	<b>(451,342)</b>	<b>746,970</b>	<b>(32,329,359)</b>	<b>34,480,840</b>
Loss for the half year	-	-	-	(2,549,912)	(2,549,912)
Other comprehensive income	-	136,347	-	-	136,347
Total other comprehensive income for the half year	-	136,347	-	(2,549,912)	(2,413,565)
<i>Transactions with owners, recorded directly in equity</i>					
Exercise of options	728,190	-	(103,190)	-	625,000
Associated costs	(10,332)	-	-	-	(10,332)
Equity-settled share based payments	108,000	-	345,537	-	453,537
Total transactions with owners	825,858	-	242,347	-	1,068,205
<b>Balance as at 31 December 2020</b>	<b>67,340,429</b>	<b>(314,995)</b>	<b>989,317</b>	<b>(34,879,271)</b>	<b>33,135,480</b>
<b>Balance as at 1 July 2021</b>	<b>67,921,661</b>	<b>(227,690)</b>	<b>713,027</b>	<b>(38,319,617)</b>	<b>30,087,381</b>
Loss for the half year	-	-	-	(2,424,213)	(2,424,213)
Other comprehensive income	-	36,094	-	-	36,094
Total other comprehensive income for the half year	-	36,094	-	(2,424,213)	(2,388,119)
<i>Transactions with owners, recorded directly in equity</i>					
Exercise of options	-	-	-	-	-
Associated costs	-	-	-	-	-
Equity-settled share based payments	-	-	174,805	-	174,805
Total transactions with owners	-	-	174,805	-	174,805
<b>Balance as at 31 December 2021</b>	<b>67,921,661</b>	<b>(191,596)</b>	<b>887,832</b>	<b>(40,743,830)</b>	<b>27,874,067</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Atomo Diagnostics Limited**  
**Statement of Cash Flows**  
**For the Half-Year Ended 31 December 2021**

		<b>Consolidated</b>	
		<b>For the Half Year Ended</b>	
	<b>Note</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inc. GST)		7,721,551	5,873,660
Payments to suppliers and employees (inc. GST)		<u>(11,836,947)</u>	<u>(7,267,317)</u>
Cash used in operations		(4,115,396)	(1,393,657)
Interest received		4,835	67,854
Interest paid		-	(2,595)
R&D and other government incentives received		1,823,828	1,135,090
<b>Net cash from / (used in) operating activities</b>	<b>4(b)</b>	<b><u>(2,286,733)</u></b>	<b><u>(193,308)</u></b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(1,202,155)	(722,812)
Payments for intangible assets		<u>(797,740)</u>	<u>(1,873,843)</u>
<b>Net cash from / (used in) investing activities</b>		<b><u>(1,999,895)</u></b>	<b><u>(2,596,655)</u></b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital upon the exercise of options		-	625,000
Proceeds from issue of convertible notes		-	-
Payments for transaction costs		-	(10,332)
Repayment of leases		<u>(18,736)</u>	<u>(52,200)</u>
<b>Net cash from / (used in) financing activities</b>		<b><u>(18,736)</u></b>	<b><u>562,468</u></b>
Net increase / (decrease) in cash and cash equivalents		(4,305,364)	(2,227,495)
Cash and cash equivalents at the beginning of the half year		17,946,517	27,103,838
Effect of exchange rate fluctuations on cash held		42,331	(185,553)
<b>Cash and cash equivalents at the end of the half year</b>	<b>4(a)</b>	<b><u>13,683,484</u></b>	<b><u>24,690,790</u></b>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Atomo Diagnostics Limited**  
**Notes to the Financial Statements**  
**For the Half-Year Ended 31 December 2021**

**Note 1: Significant accounting policies**

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**(a) 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.

**(b) Basis of preparation**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 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 2021 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.

**(c) Operating segments**

The Group manages its operations as a single business operation and there are no parts of the Group that qualify as operating segments under AASB 8 Operating Segments. The CEO (Chief Operating Decision Maker or "CODM") assesses the financial performance of the Group in an integrated basis only and accordingly, the Group is managed on the basis of a single segment, being medical device research and development. Information presented to the CODM on a monthly basis is categorised by type of expenditure.

**Note 2: Revenue and other income**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
<i>Revenue:</i>		
Revenue from sale of goods		
Covid-19	4,513,075	2,611,151
HIV	771,512	771,350
Other OEM	-	1,112,598
Other	58,882	83,522
	<u>5,343,469</u>	<u>4,578,620</u>
<i>Other income:</i>		
R&D tax rebate	509,768	153,327
R&D tax rebate overprovisioned in prior year	-	(161,808)
Covid-19 Government grants	-	117,243
Licence and settlement fees	1,648,698	-
	<u>2,158,466</u>	<u>108,762</u>
<b>Total revenue and other income</b>	<u><b>7,501,935</b></u>	<u><b>4,687,382</b></u>

**Atomo Diagnostics Limited**  
**Notes to the Financial Statements**  
**For the Half-Year Ended 31 December 2021**

**Note 3: Expenses**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
Profit / (loss) before income tax from continuing operations includes the following specific expenses:		
<b>(a) Employee benefits expense</b>		
Salaries, wages and directors' fees	1,710,937	1,459,387
Contributions to defined contribution superannuation funds	143,267	140,352
Equity-settled share-based payments	174,805	453,537
Other employment related expenses	78,699	71,861
	<u>2,107,708</u>	<u>2,125,137</u>
<b>(b) Depreciation and amortisation</b>		
Depreciation expense (Note 5)	661,292	332,713
Amortisation expense (Note 6)	236,441	104,322
Right-of-use assets	38,557	55,624
	<u>936,290</u>	<u>492,659</u>
<b>(c) Net finance income / (cost)</b>		
Interest income	4,835	67,854
Cash interest expense	-	(545)
Lease interest expense	(5,210)	(2,050)
	<u>(375)</u>	<u>65,259</u>

**Note 4: Current assets - cash and cash equivalents**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>(a) Cash and cash equivalents in statement of cash flows</b>		
Cash at bank	<u>13,683,484</u>	<u>24,690,790</u>
	13,683,484	24,690,790
<b>(b) Reconciliation of cash flows from operating activities</b>		
Loss for the period	( 2,424,213)	(2,549,912)
<i>Adjustments for:</i>		
Depreciation and amortisation	936,290	492,659
Unrealised currency translation movements	( 6,237)	318,456
Equity-settled share-based payment transactions	174,805	453,537
Fair value (gain) / loss on financial liabilities	-	-
Finance costs	5,210	-
	<u>1,110,068</u>	<u>1,264,652</u>
Operating profit before changes in working capital and provisions	<u>( 1,314,145)</u>	<u>(1,285,260)</u>



**Atomo Diagnostics Limited**  
**Notes to the Financial Statements**  
**For the Half-Year Ended 31 December 2021**

**Note 4: Current assets - cash and cash equivalents (continued)**

<i>Changes in working capital and provisions:</i>		
Change in trade and other receivables	1,615,882	2,550,436
Change in trade and other payables	( 252,991)	(10,221)
Change in inventories	( 2,307,699)	(1,419,236)
Change in employee benefits	( 27,780)	(29,027)
	<u>( 972,588)</u>	<u>1,091,952</u>
<b>Net cash from operating activities</b>	<b><u>( 2,286,733)</u></b>	<b><u>(193,308)</u></b>

**Note 5: Non-current assets - property, plant and equipment**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>30 June 2021</b>
Plant and equipment - at cost	7,344,282	6,142,127
Less: Accumulated depreciation	<u>(3,140,442)</u>	<u>(2,479,150)</u>
Total plant and equipment	<u>4,203,840</u>	<u>3,662,977</u>
<b>Total property, plant and equipment</b>	<b><u>4,203,840</u></b>	<b><u>3,662,977</u></b>

*Reconciliations:*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

<b>Consolidated</b>	<b>Plant and equipment</b>	<b>Total</b>
Balance at 1 July 2021	3,662,977	3,662,977
Additions	1,202,155	1,202,155
Depreciation expense	<u>(661,292)</u>	<u>(661,292)</u>
<b>Balance at 31 December 2021</b>	<b><u>4,203,840</u></b>	<b><u>4,203,840</u></b>

**Note 6: Non-current assets - intangible assets**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>30 June 2021</b>
Patents and trademarks - at cost	1,594,824	1,555,258
Less: accumulated amortisation	<u>(633,768)</u>	<u>(598,715)</u>
Total patents and trademarks	<u>961,056</u>	<u>956,543</u>
Product development assets - at cost	2,668,404	2,317,974
Less: accumulated amortisation	<u>(491,620)</u>	<u>(291,428)</u>
Total product development assets	<u>2,176,784</u>	<u>2,026,546</u>
Other intangibles - at cost	494,484	119,683
Less: accumulated amortisation	<u>(78,134)</u>	<u>(76,938)</u>
Total other intangibles	<u>416,350</u>	<u>42,745</u>
<b>Total intangible assets</b>	<b><u>3,554,190</u></b>	<b><u>3,025,834</u></b>

**Atomo Diagnostics Limited**  
**Notes to the Financial Statements**  
**For the Half-Year Ended 31 December 2021**

**Note 6: Non-current assets - intangible assets (continued)**

*Reconciliations:*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

<b>Consolidated</b>	<b>Patents and trademarks</b>	<b>Product development costs</b>	<b>Other intangibles</b>	<b>Total</b>
Balance at 1 July 2021	956,543	2,026,546	42,745	3,025,834
Additions	39,566	561,373	374,801	975,740
Amortisation expense	(35,053)	(200,192)	(1,196)	(236,441)
Capitalisation of R&D rebate	-	(287,697)	-	(287,697)
Reversal of over-accrued capitalised R&D rebate from prior year	-	-	-	-
Capitalised R&D rebate recognised as income	-	76,754	-	76,754
<b>Balance at 31 December 2021</b>	<b>961,056</b>	<b>2,176,784</b>	<b>416,350</b>	<b>3,554,190</b>

**Note 7: Equity - issued capital**

	<b>Consolidated</b>			
	<b>Number of Shares</b>		<b>Value(\$)</b>	
	<b>31 December 2021</b>	<b>30 June 2021</b>	<b>31 December 2021</b>	<b>30 June 2021</b>
Ordinary shares - fully paid	568,597,807	568,597,807	67,921,661	67,921,661

*Movements in ordinary share capital:*

<b>Details</b>	<b>Number of Shares</b>	<b>Value (\$)</b>
Opening balance at 1 July 2021	568,597,807	67,921,661
Issue of share upon the exercise of options	-	-
Associated costs	-	-
Issue of shares under employee share plan	-	-
<b>Closing balance at 31 December 2021</b>	<b>568,597,807</b>	<b>67,921,661</b>

**Note 8: Contingent assets**

There were no contingent assets as at 31 December 2021.

**Note 9: Contingent liabilities**

There were no contingent liabilities as at 31 December 2021.

**Atomo Diagnostics Limited**  
**Notes to the Financial Statements**  
**For the Half-Year Ended 31 December 2021**

**Note 10: Commitments**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>30 June 2021</b>
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities payable:		
Plant and equipment and intangibles	197,991	2,189,174
<i>Other commitments</i>		
Inventory	776,992	1,037,221
Leases	-	320,711
<b>Total commitments</b>	<b><u>974,983</u></b>	<b><u>3,547,106</u></b>

**Note 11: Related party transactions**

**(a) Key management personnel compensation:**

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
Short-term employee benefits	823,226	749,451
Post-employment benefits	51,318	77,772
Long-term benefits	-	5,687
Share-based payments	79,905	274,037
<b>Total key management personnel compensation</b>	<b><u>954,449</u></b>	<b><u>1,106,947</u></b>

**(b) Transactions with other related parties**

There were no transactions with other related parties during the half-year ended 31 December 2021.

**(c) Key management personnel transactions**

Directors and other key management personnel hold 26.2% of the issued capital of the company as at 31 December 2021 (30 June 2021: 26.4%).

**Note 12: Events after the reporting period**

No matter or circumstance has arisen since 31 December 2021 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 periods.

**Atomo Diagnostics Limited**  
**Notes to the Financial Statements**  
**For the Half-Year Ended 31 December 2021**

**Note 13: Earnings per share**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
Loss after income tax attributable to the owners of Atomo Diagnostics Limited	(2,424,213)	(2,549,912)
Loss after income tax attributable to the owners of Atomo Diagnostics Limited used in calculating diluted earnings per share	<u>(2,424,213)</u>	<u>(2,549,912)</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.43)	(0.45)
Diluted earnings per share	(0.43)	(0.45)
	<b>Number</b>	<b>Number</b>
<i>Weighted average number of ordinary shares:</i>		
Weighted average number of ordinary shares used in calculating basic earnings per share	568,597,807	562,617,916
Adjustments for calculation of diluted earnings per share:		
No adjustments given that in a loss situation, this would be anti-dilutive	-	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>568,597,807</u>	<u>562,617,916</u>

**Atomo Diagnostics Limited**  
**Directors' Declaration**  
**31 December 2021**

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 2021 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 made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors:



John Keith  
Chair

21 February 2022  
Sydney

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Atomo Diagnostics Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Atomo Diagnostics Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### 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 Company 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the directors for the 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 responsibility 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 2021 and its financial 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.

**BDO Audit Pty Ltd**

A stylized, handwritten-style logo of the letters 'BDO' in black ink.

A handwritten signature in black ink that reads 'Gareth Few'.

**Gareth Few**  
**Director**

Sydney, 21 February 2022