



# Notice of Annual General Meeting

**2023**

**ANNUAL GENERAL MEETING**

Thursday, 2 November 2023  
10.00am (AEDT)

To be held in person at Level 1, 3 - 5 George Street, Leichhardt NSW 2040

**A webcast of the meeting will be made available to shareholders**

**ATOMO DIAGNOSTICS LIMITED**  
ABN 37 142 925 684

Atomo Diagnostics Limited (**Company** or **Atomo**) gives notice that an Annual General Meeting (**AGM**) of Shareholders will be held on:

**Thursday, 2 November 2023  
at 10.00 am (AEDT)**

The AGM will be held in person at:

Level 1,  
3 - 5 George Street  
Leichhardt NSW 2040

In addition, the Board will webcast the AGM. Details of the webcast will be made available to shareholders and other interested persons via the ASX Market Announcements Platform.

This meeting is not a hybrid or virtual meeting. Shareholders attending via the webcast will not be able to vote, ask questions or make comments during the meeting. Directors encourage all shareholders to attend in person.

#### VOTING ELIGIBILITY

To be eligible to vote at the meeting, shareholders must be a registered Shareholder of the Company as of 7.00 pm on Tuesday, 31 October 2023.

If more than one joint holder of shares participates in the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Option holders are not eligible to vote at the meeting.

#### HOW CAN YOU VOTE

If you are entitled to participate in and vote at the AGM, you can vote your shares in one of the following ways. Atomo reserves the right to declare a vote invalid if it is not received by one of the following methods:



In person at the AGM.



You may vote your shares online prior to the AGM.

Go to:

<https://investorcentre.linkgroup.com>

To be effective, your votes must be received by Atomo no later than **10.00am (AEDT) on Tuesday, 31 October 2023**.



Shareholders may complete and return the enclosed Voting Form to 'Vote Directly' or 'Appoint a Proxy'.

#### UNDIRECTED PROXIES

The Directors unanimously recommend that Shareholders vote in favour of all resolutions. The Chairman intends to vote all undirected proxies **IN FAVOUR** of each resolution.

#### VOTING BY PROXY

To appoint a proxy, Shareholders should complete Section B of the enclosed **Voting and Proxy Form**.

If no direction is given on an item or if Section A and Section B are both completed on the Voting and Proxy Form, your vote may be passed to the Chair of the AGM as your proxy. The Chair will vote in accordance with the voting intentions stated above.

Shareholders may appoint a proxy or proxies to vote and act on their behalf at the AGM. A proxy need not be a Shareholder and can be an individual or a body corporate.

You may appoint one or two proxies (but no more). If two proxies are appointed, you may specify the proportion or number of the votes each proxy is appointed to exercise. In accordance with Rule 17.1(b) of Atomo's Constitution, if a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of those votes.

Shareholders who have appointed a proxy may still participate in the meeting. The proxy is not revoked by the shareholder participating and taking part in the meeting, unless the shareholder actually votes at the meeting on a resolution for which the proxy is proposed to be used.

Where more than one joint holder votes, the vote of the holder whose name appears first in the register of shareholders shall be accepted to the exclusion of the others, regardless of whether the vote is by proxy, by representative or by attorney.

A proxy need not be a shareholder of the Company and may be an individual or a body corporate. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the *Corporations Act 2001* (Cth) (**the Act**); and
- provides satisfactory evidence of the appointment of its corporate representative to the Company at least 48 hours prior to commencement of the meeting.

If such evidence is not received at least 48 hours prior to the commencement of the meeting, then the body corporate proxy (through its representative) will not be permitted to act as the shareholder's proxy.

Proxy forms (and if the appointment is signed by the appointer's attorney, the original authority under which the appointment was signed or a certified copy of the

authority) must be received by the Company's share registry by 10:00 am (AEDT) on Tuesday, 31 October 2023 to be effective.

Completed Voting Forms may be **posted** to:

Atomo Diagnostics Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia

Alternatively, completed Voting and Proxy Forms may be **faxed** to +61 2 9287 0309.

### KEY MANAGEMENT PERSONNEL

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Under the *Corporations Act 2001* (Cth), voting restrictions apply to Atomo's key management personnel (**KMP**) and their closely related parties in relation to Resolutions 2, 5 and 6. KMP are those persons having authority and responsibility for planning, directing and controlling the activities of Atomo, directly or indirectly, including any director (whether executive or otherwise) of Atomo.

The term "closely related party" in relation to a member of KMP includes a spouse, child (including a spouse's child), dependents, and certain other close family members, as well as any companies the KMP controls. Please refer to the Explanatory Notes for more detail. If you intend to appoint a member of the KMP (other than the Chair of the meeting) or one of their closely related parties as your proxy or nominee, please ensure that you direct them on how to vote on Resolutions 2, 5 and 6, otherwise they may not be able to cast a vote as your proxy or nominee on these resolutions.

### QUESTIONS AT THE MEETING

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The meeting is intended to give shareholders the opportunity to hear from the Chairman as well as the Managing Director & Chief Executive Officer, to discuss the financial year ended 30 June 2023, to give some insight into the Company's prospects for the year ahead and provide an opportunity for shareholders to ask questions and make statements relevant to the Company.

The Company welcomes shareholders' questions at the meeting. However, in the interests of those present, questions or comments should be confined to items of business before the meeting and should be relevant to shareholders as a whole.

Shareholders can submit questions and comments online prior to the AGM via:  
[registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

Questions and comments sent online must be received by Atomo no later than 5.00 pm (AEDT) on Tuesday, 31 October 2023.

### CONTACT US

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Shareholders are encouraged to call Atomo's share registry, Link Market Services (**Link**), if you have any questions regarding submitting your votes, the AGM or your holding, by phoning 1300 554 474 (within Australia) or +61 1300 554 474 (Overseas).

# Items of Business

## 1. FY23 Financial Report

To receive and consider the financial statements of the Company and the reports of the Directors and auditors for the year ended 30 June 2023.

## 2. Resolution 1: Re-election of a Director – Dr Cheri Walker

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 14.4, clause 20.3 of the Company’s Constitution and for all other purposes, Dr Cheri Walker, who was appointed by the Board on 15 November 2022, and being eligible, is re-elected a Director of the Company.”*

Details of the qualifications and experience of Dr Walker and the recommendation of the Board in relation to his election are set out in the attached Explanatory Notes.

## 3. Resolution 2: Remuneration Report

To consider and, if thought fit, pass the following non-binding resolution as an ordinary resolution:

*“That the Remuneration Report for the year ended 30 June 2023 be adopted.”*

This is a non-binding advisory vote.

### Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 3:

- by or on behalf of a member of the Company’s key management personnel (**KMP**) named in the Company’s Remuneration Report for the year ended 30 June 2023 or their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company’s KMP at the date of the meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on Resolution 2:

- in accordance with a direction in the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation on the proxy form to vote as the proxy decides, even though the resolution is connected with the remuneration of the KMP.

## 4. Resolution 3: Ratification of Issue of Placement Shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 34,977,932 shares (Placement Shares) on the terms described in the*

*Explanatory Notes which form part of the Notice of Meeting, is approved.”*

### Voting exclusion statement

The Company will disregard any votes cast on Resolution 3 by or on behalf of a person who participated in the Placement or any associates of those persons.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- The chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 5. Resolution 4: Ratification of Issue of Options

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 6,668,333 options under the Company’s Employee Option Plan on the terms described in the Explanatory Notes which form part of the Notice of Meeting, is approved.”*

### Voting exclusion statement

The Company will disregard any votes cast on Resolution 4 by or on behalf of employees who received the 6,668,333 options under the Company’s Employee Option Plan or any associates of those persons.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- The chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and

- The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 6. Resolution 5: Approval of Employee Option Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 7.2 Exception 13(b) and for all other purposes, the Company’s Employee Option Plan, the terms of which are described in the Explanatory Notes which form part of the Notice of Meeting, is approved.”*

### Voting exclusion statement

The Company will disregard any votes cast on Resolution 5 by or on behalf of any person who is eligible to participate in the Employee Option Plan or any associate of those persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- The chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast by KMP or their closely related parties regardless of the capacity in which the vote is cast, unless the vote is cast as proxy for a person entitled to vote on Resolution 5:

- in accordance with a direction in the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation on the proxy form to vote as the proxy decides, even though the resolution is connected with the remuneration of KMP.

## 7. Resolution 6: Issue of Options to Managing Director & Chief Executive Officer John Kelly

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 366,666 unquoted options to John Kelly under the Atomo Employee Option Plan on the terms described in the Explanatory Notes which form part of the Notice of Meeting, is approved.”*

### Voting exclusion statement

The Company will disregard any votes cast on Resolution 6 by or on behalf of:

- John Kelly; or
- An associate of John Kelly

However, this does not apply to a vote cast in favour of Resolution 6 by:

- A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- The chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast by KMP or their closely related parties regardless of the capacity in which the vote is cast, unless the vote is cast as proxy for a person entitled to vote on Resolution 6:

- in accordance with a direction in the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation on the proxy form to vote as the proxy decides, even though the resolution is connected with the remuneration of a member of KMP.

## 8. Resolution 7: Additional 10% Placement Capacity

To consider and, if thought fit, pass the following resolution as a special resolution:

*“That for the purposes of ASX Listing Rule 7.1A and for all other purposes, the issue of up to an additional 10% of the Company’s issued capital at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms described in Explanatory Notes which form part of the Notice of Meeting, is approved.”*

### Voting exclusion statement

The Company will disregard any votes cast on Resolution 7 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), or any associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 7 by:

- A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

- The chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**BY ORDER OF THE BOARD**

29 September 2023

A handwritten signature in black ink, appearing to read "Maria Clemente", written over a white rectangular background.

**Maria Clemente**

Company Secretary



# Explanatory Statement

These Explanatory Notes form part of the Notice of Meeting and are intended to provide shareholders of the Company with information to assess the merits of the proposed resolutions.

The Directors recommend that shareholders read these Explanatory Notes in full before making any decision in relation to these resolutions.

## FY23 FINANCIAL REPORTS

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This item of business provides a reasonable opportunity for shareholders to comment on and ask questions on the financial statements and reports for the financial year ended 30 June 2023 and on the business, operations and management of Atomo. There will also be an opportunity to ask questions of the Company's auditor.

All shareholders can view the Company's 2023 Annual Report (which contains the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the year ended 30 June 2023) on the Company's website at: [www.atomodiagnosics.com](http://www.atomodiagnosics.com)

Shareholders who have previously elected to receive a hard copy of the Company's Annual Report will receive the document in the mail.

## RESOLUTION 1: RE-ELECTION OF DIRECTOR

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Pursuant to clause 20.3 of the Company's Constitution, a Director appointed by the Board at any time, except during a general meeting, automatically retires at the next annual general meeting (**AGM**) and is eligible for re-election. Pursuant to ASX Listing Rule 14.4 and clause 20.6(b), any Director appointed as an addition to the Board must not hold office (without re-election) past the next AGM following that Director's appointment. Accordingly, Dr Walker retires from office and is eligible for re-election as a Director of the Company.

Background checks were conducted prior to Dr Walker's appointment which did not raise any adverse findings.

If shareholders do not approve the re-election of Dr Walker, she will cease to be a Director at the conclusion of the AGM.

Dr Walker is currently the President and Chief Executive Officer of Rhinostics Inc and has more than two decades of experience in life science tools and medical diagnostics with companies ranging from startups to global businesses. In corporate development roles, she has bought or sold more than 45 companies in addition to building extensive partnership relationships. Beyond Rhinostics, Dr Walker's startup experience includes the position of CFO at Kailos Genetics and director at Diatherix, Cell IDx and Brick Bio, plus consulting with many early-stage companies.

The Board greatly values Dr Walker's extensive experience across life sciences and medical diagnostics and supports Dr Walker's re-election.

### Directors' Recommendation

The Board, with Dr Walker abstaining, recommend that shareholders vote **IN FAVOUR** of the re-election of Dr Walker.

## RESOLUTION 2: REMUNERATION REPORT

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In accordance with section 250R(2) of the *Corporations Act 2001* (Cth), the Board is presenting the Company's Remuneration Report for the year ended 30 June 2023 to shareholders for consideration and adoption by a non-binding vote. The Remuneration Report was published on 24 August 2023 and is available on the Company's website ([www.atomodiagnosics.com](http://www.atomodiagnosics.com)).

The Remuneration Report:

- explains the Board's policies in relation to the objectives and structure of Atomo's remuneration system;
- discusses the relationship between remuneration outcomes and returns to shareholders;
- provides details of performance conditions, why they were chosen and how performance is measured against them; and
- sets out the remuneration arrangements for each Director and each other member of the KMP of the Company.

Shareholders will have a reasonable opportunity to ask questions and comment on the Remuneration Report at the AGM.

The vote on this resolution is advisory only and does not bind the Directors or the Company. Nevertheless, the Board will take into account the outcome of the vote when considering the future remuneration arrangements of the Company.

The *Corporations Act (Cth)* prohibits certain persons from voting on this item of business. The voting exclusion statement relating to this item of business is set out on page 4 of the Notice of Meeting.

#### Directors' Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company as such interests are described in the Remuneration Report and each Director (or any closely related party of a Director) is excluded from voting on this resolution as set out in the voting exclusion statement on page 5 of the Notice of Meeting, the Directors unanimously recommend that shareholders vote **IN FAVOUR** of Resolution 2.

#### RESOLUTION 3: RATIFICATION OF ISSUE OF PLACEMENT SHARES

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As announced on 13 July 2023, the Company undertook a capital raising by way of a placement of fully paid ordinary shares to institutional investors (**Placement Shares**) and a share purchase plan. 34,377,932 Placement Shares were issued on 19 July 2023 utilising the Company's existing 15% placement capacity under ASX Listing Rule 7.1.

The Company seeks to ratify the issue of the Placement Shares to restore its capacity to issue up to 15% of its issued capital.

Broadly speaking, ASX Listing Rule 7.1 provides that a listed entity must not, subject to specified exceptions, issue equity securities, or agree to issue equity securities, without the approval of shareholders, if the number of equity securities to be issued in the 12-month period following the issue date (**Relevant Period**) exceeds 15% of the issued capital of the entity preceding the issue.

The issue of the Placement Shares without shareholder approval does not fit within any of the exceptions to ASX Listing Rule 7.1 and accordingly utilised part of the Company's 15% placement capacity. ASX Listing Rule 7.4 allows shareholders to approve an issue of equity securities after it has been made or agreed to be made. If shareholders provide such an approval, the issue is taken to have been approved under ASX Listing Rule 7.1 and therefore does not reduce the Company's capacity to issue further equity securities without approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain shareholder approval under ASX Listing Rule 7.1. To this end, Resolution 4 seeks shareholder approval of the issue of Placement Shares for the purposes of ASX Listing Rule 7.4.

If Resolution 3 is passed, the Placement Shares will be excluded from the calculation of the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities that the Company can issue without Shareholder approval during the Relevant Period.

If Resolution 3 is not passed, the Placement Shares will be included in the calculation of the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without shareholder approval during the Relevant Period.

The following information is provided in accordance with ASX Listing Rule 7.5:

1. 34,377,932 Placement Shares were issued on 19 July 2023.
2. The Placement Shares were issued for a total cash consideration of \$1.25m being \$0.036 per share.
3. The Placement Shares were allotted by the Company to institutional and sophisticated investors selected by Bell Potter as lead manager of the capital raising.
4. The Placement Shares, when issued, ranked equally with all other shares on issue at the time and had the same rights and entitlements as currently issued shares.
5. Funds raised will be used to expand and accelerate sales, marketing, business development and new product registration activities with a focus on the US market.
6. A voting exclusion statement is set out on page 4 of the Notice of Meeting.

#### Directors' Recommendation

The Directors unanimously recommend that shareholders vote **IN FAVOUR** of Resolution 3.

#### RESOLUTION 4: RATIFICATION OF ISSUE OF OPTIONS

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The Company issued unquoted options to employees under its Employee Option Plan (**Employee Options**) outside the three-year period following the lodgement of the Company's IPO Prospectus which disclosed the terms of the Employee Option Plan and the maximum number of securities proposed to be issued under the Plan for the purposes of ASX Listing Rule 7.2 Exception 13(a). As the Employee Options were not issued with shareholder approval and did not rely on any of the exceptions to ASX Listing Rule 7.1 as specified in ASX Listing Rule 7.2, they utilised part of the Company's 15% placement capacity limit.



As explained in the above notes to Resolution 3, ASX Listing Rule 7.4 allows shareholders to approve an issue of equity securities after it has been made or agreed to be made. The Company seeks to ratify the issue of the Employee Options to restore its capacity to issue up to 15% of its issued capital without approval under ASX Listing Rule 7.1.

If Resolution 4 is passed, the Employee Options will be excluded from the calculation of the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities that the Company can issue without Shareholder approval during the Relevant Period.

If Resolution 4 is not passed, the Employee Options will be included in the calculation of the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without shareholder approval during the Relevant Period.

The following information is provided in accordance with ASX Listing Rule 7.5:

- The below table sets out requisite information on the issue of Employee Options including the issue dates and total number of securities issued to the employees:

Issue Date	Employee Options
1 July 2023	6,100,000
15 September 2023	568,333

- The below table provides a breakdown of Employee Options issued to members of Key Management Personnel whose identity is considered material for the purposes of seeking shareholder approval under ASX Listing Rule 7.4:

Name of KMP	Issue date	Employee Options
William Souter	15 September 2023	293,333
Chandra Sukumar	15 September 2023	275,000

- A summary of the terms of the Employee Option Plan is set out in Annexure A below.
- A summary of the material terms of the Employee Options, in addition to the terms specified in Annexure A, is set out below.

Employee Options	Terms
6,100,000 options issued on 1 July 2023	<ul style="list-style-type: none"> <li>Tranche 1 (40%) to vest on issue and Tranche 2 (60%) to vest one year from the date of issue</li> <li>Expiry: 1 July 2027</li> <li>Exercise price: \$0.035</li> <li>No voting and dividend rights</li> <li>Shares issued on exercise of the options will rank equally with ordinary shares on issue.</li> <li>Options lapse automatically on cessation of employment with the Company, unless Board discretion is exercised to the contrary.</li> </ul>
568,333 options issued on 15 September 2023	<ul style="list-style-type: none"> <li>Vesting immediately on issue</li> <li>Expiry: 22 August 2026</li> <li>Exercise price: \$0.0468</li> <li>Options lapse automatically on cessation of employment with the Company, unless Board discretion is exercised to the contrary.</li> <li>No voting and dividend rights</li> <li>Shares issued on exercise of the options will rank equally with ordinary shares on issue.</li> </ul>

- No consideration was received by the Company in respect of the issue of Employee Options under the Plan. The purpose of the issue was to provide employees with an opportunity to acquire a financial interest in the Company, which will align their interests more closely with shareholders and provide greater incentive for them to focus on the Company's longer term goals.
- A voting exclusion statement is set out on page 4 of the Notice of Meeting.

#### Directors' Recommendation

The Directors unanimously recommend that shareholders vote **IN FAVOUR** of Resolution 4.

## RESOLUTION 5: APPROVAL OF EMPLOYEE OPTION PLAN

The Company is asking shareholders to approve its Employee Option Plan (**Plan**) in accordance with ASX Listing Rule 7.2 Exception 13(b).

Prior to its 31 March 2020 IPO Prospectus, the Company established the Plan to align the interests of eligible employees and directors with shareholders through the sharing of a personal interest in the future growth and development of the Company and to provide a means of attracting and retaining skilled and experienced eligible persons.

ASX Listing Rule 7.2 contains a number of exceptions to the prohibition contained in Listing Rule 7.1 with respect to issuing more than 15% of an entity's issued capital in any 12-month period without shareholder approval. In particular, under ASX Listing Rule 7.2 Exception 13(b), any equity securities issued under an employee incentive scheme within three years of the date on which shareholders approve the issue of those equity securities are not counted for the purposes of ASX Listing Rule 7.1. Resolution 5 is designed to satisfy the requirements of Exception 13(b) in ASX Listing Rule 7.2 in relation to the Plan.

If Resolution 5 is passed, the Company will have the ability to issue options (and shares on exercise of options) under the Plan to eligible participants over a period of three years from the date the Resolution is passed (i.e., until 1 November 2026) without impacting on the Company's 15% placement capacity under ASX Listing Rule 7.1.

If Resolution 5 is not passed, and if the Board decides to issue any options under the Plan (which it is entitled to do notwithstanding the non-approval), any options issued (and shares issued on exercise of options) will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without shareholder approval over the 12-month period following the issue date.

To the extent that options are issued under the Plan to Directors and their associates, separate approvals under ASX Listing Rule 10.14 will need to be sought by the Company for those issues.

The following information is provided in accordance with ASX Listing Rule 7.2 Exception 13(b):

1. A summary of the terms of the Plan is set out in Annexure A below. There have been no material changes to the terms of the Option Plan as disclosed in the Company's IPO Prospectus.
2. The maximum number of equity securities proposed to be issued under the Plan over the next three years following shareholder approval is 28,544,550.
3. No equity securities have been issued under the Plan since the date of its adoption.
4. A voting exclusion statement is set out on page 5 of the Notice of Meeting.

### Directors' Recommendation

John Kelly abstains from making a voting recommendation on Resolution 5 as he is eligible to participate in the Plan. The other Directors recommend that shareholders vote **IN FAVOUR** of Resolution 5.

## RESOLUTION 6: ISSUE OF OPTIONS TO THE MANAGING DIRECTOR & CEO JOHN KELLY

Subject to shareholder approval, Atomo proposes to issue and allot 366,666 unquoted options (the **Issue**) under its Option Plan to John Kelly as part of Atomo's remuneration scheme to reward the diligent execution of the corporate strategy and to ensure retention of the key talent needed to deliver strategic outcome in the interest of shareholders.

The Issue represents 55% of the options previously granted to Mr Kelly and subsequently cancelled as the conditions were not capable of being satisfied (refer to Notice of cessation of securities lodged on ASX on 3 August 2023). The Issue is based on Mr Kelly's 55% achievement of key performance indicators during FY23.

The options issued to Mr Kelly will be exercisable at \$0.0468 per option and expire on 22 August 2026 and are conditional upon John Kelly remaining employed by Atomo.

ASX Listing Rule 10.14 provides that an ASX-listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme without shareholder approval:

- a director of the company (ASX Listing Rule 10.14.1);
- an associate of a director of the company (ASX Listing Rule 10.14.2); or
- a person whose relationship with the company or a person referred to in ASX Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders, unless it obtains the approval of its shareholders.

As Mr Kelly is a Director of the Company, the Issue falls within ASX Listing Rule 10.14.1 above and therefore requires the approval of Atomo's shareholders.

This resolution seeks the required shareholder approval to the Issue under and for the purposes of Listing Rule 10.14.

If Resolution 6 is passed, Atomo will be able to proceed with the Issue and 666,666 unquoted options will be issued and allotted to Mr Kelly. If Resolution 6 is not passed, Atomo will not be able to proceed with the Issue and the Board may need to consider alternative remuneration arrangements in order to reward, incentivise and retain Mr Kelly.

As explained in the above notes to Resolutions 3, 4 and 5, under ASX Listing Rule 7.1, Atomo is prohibited from issuing equity securities comprising more than 15% of its issued capital without shareholder approval in any rolling 12-month period. However, Atomo is permitted to issue equity securities in excess of the 15% limit without shareholder approval if those securities are issued in reliance on an exception to ASX Listing Rule 7.1 as contained in ASX Listing Rule 7.2. Pursuant to ASX Listing Rule 7.2 Exception 14, ASX Listing Rule 7.1 does not apply to an issue of securities made with the approval of the holders of the entity's ordinary securities under Listing Rule 10.14.

Accordingly, if Resolution 6 is passed, separate shareholder approval is not required under ASX Listing Rule 7.1. The Issue of options to Mr Kelly and the issue of shares on exercise of those options will be excluded from ASX Listing Rule 7.1 on the basis that they have already been approved by shareholders under ASX Listing Rule 10.14.

The following information is provided in accordance with ASX Listing Rule 10.15:

1. John Kelly will be the recipient of the Issue.
2. John Kelly is Atomo's Managing Director and therefore the Issue falls within Listing Rule 10.14.1.
3. 366,666 unquoted options are proposed to be issued and allotted to John Kelly.
4. John Kelly's total remuneration package for the 2023 financial year comprises:
  - Fixed base salary of \$447,956 (including \$25,292 in superannuation and \$5,614 in long service leave);
  - Variable short term incentive (bonus) of \$79,200; and
  - A variable long term incentive of 366,666 unquoted options (the subject of this resolution).

Further information regarding John Kelly's remuneration is set out in Atomo's 2023 Remuneration Report, contained in the 2023 Annual Report which is available on Atomo's website at: [www.atomodiagnosics.com](http://www.atomodiagnosics.com)

5. The Company has previously issued 2,000,000 options to John Kelly under the Option Plan exercisable at \$0.25 per option as disclosed in the Company's Prospectus (**IPO Options**). The IPO Options were issued in three equal tranches vesting in 12 months, 24 months and 36 months respectively and include vesting conditions relating to satisfaction of KPIs. The IPO Options were issued at nil cost to Mr Kelly.

All three tranches of the IPO Options lapsed as the KPIs applicable to the options were not capable of being satisfied with respect to the year ended 30 June 2021, 30 June 2022 and 30 June 2023. 666,666 unquoted options were issued under the Option Plan following shareholder approval at the 2022 Annual General Meeting to replace Mr Kelly's second tranche of lapsed IPO Options. The 366,666 unquoted options proposed to be issued (subject of this resolution) will replace Mr Kelly's third tranche of lapsed IPO Options.

The Company also issued 333,333 options to John Kelly under the Option Plan exercisable at \$0.25 per option as disclosed in the 2021 Notice of Meeting (**2021 Options**). The 2021 Options were issued following shareholder approval in 2021 and include vesting conditions relating to satisfaction of KPIs. The 2021 Options were issued at nil cost to John Kelly.

Mr Kelly continues to hold 999,999 unquoted options (excluding this Issue) which were issued under the Plan.

6. The unquoted options will be exercisable at \$0.0468 per option and expire on 22 August 2026.

The options do not carry voting rights. Options are not quoted on the ASX and carry no voting or dividend rights. Shares issued on exercise of the options will rank equally with ordinary shares on issue. Options are considered by the Board to be an appropriate equity security to issue under the Option Plan as the options assist with ensuring retention of the Managing Director and CEO who is needed to deliver strategic outcomes for the Company, in the interest of shareholders.

In accordance with AASB 2 Share-Based Payments, the total fair value of the options is recognised as an expense over the vesting term of the options with a corresponding increase in equity. Where early exercise occurs, this cost is accelerated. The options are valued at \$7,317 (based on a 22 August 2023 grant date). Atomo has not obtained an independent valuation of the options.

Options are valued using the Black Scholes methodology and are disclosed in the Company's annual reports.

7. The options will be issued to John Kelly on or about the date of the AGM, but in any event no later than 3 years after the date of the Meeting.
8. The issue price of the options is nil.
9. A summary of the material terms of the Option Plan are provided in Annexure A.

10. No loan will be made to John Kelly in relation to the acquisition of the options.
11. Details of any securities issued under the Option Plan will be published in the annual report of Atomo relating to a period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.
- Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in the Plan after Resolution 6 is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.
12. A voting exclusion statement is set out on page 5 of the Notice of Meeting.

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties of a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of exceptions set out in sections 210 to 216 applies or shareholder approval is obtained.

A "financial benefit" is defined in the Corporations Act in broad terms and expressly includes a public company issuing securities. The giving of a financial benefit to a related party of a public company is ordinarily prohibited by Chapter 2E of the Corporations Act. One exception to the general rule is where the benefit constitutes "reasonable remuneration" in respect of the duties and responsibilities of the related party in the management of the public company; section 211 of the Corporations Act.

The Directors have formed the view that shareholder approval under section 208 of the Corporations Act is not required for the Issue as the exception in section 211 of the Corporations Act applies. The subject options are being issued for the reasons set out above and are considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

#### Directors' Recommendation

The Directors, with Mr Kelly abstaining, recommend that shareholders vote **IN FAVOUR** of Resolution 6.

#### RESOLUTION 7: ADDITIONAL 10% PLACEMENT CAPACITY

ASX Listing Rule 7.1A provides that an "Eligible Entity" may seek shareholder approval at its AGM to allow it to issue equity securities of up to 10% of its issued capital over a period up to 12 months after the AGM (**10% Placement Capacity**). Atomo is an "Eligible Entity" for the purposes of Listing Rule 7.1A as it is not included in the S&P/ASX 300 Index and as at 13 September 2023 has a market capitalisation of approximately \$17.9 million, being below the maximum \$300 million threshold required under ASX Listing Rule 7.1A.

If Shareholders approve Resolution 7, the number of equity securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 7 if passed will be to allow the Company to issue equity securities up to 10% of the Company's fully paid ordinary securities on issue during the period which is up to 12 months after the date of the AGM, without subsequent shareholder approval and without using the Company's 15% placement capacity granted under Listing Rule 7.1.

If Resolution 7 is not passed, the Company will be limited to the 15% placement capacity under Listing Rule 7.1 and will not be able to utilise the benefit of the additional 10% Placement Capacity.

Resolution 7 is a special resolution. Accordingly, at least 75% of votes cast by shareholders present and eligible to vote at the Meeting must be in favour of Resolution 7 for it to be passed.

Any equity securities issued using the 10% Placement Capacity must be in the same class as an existing class of quoted equity securities. The Company currently has one class of quoted equity securities on issue, being the fully paid ordinary shares (ASX Code: AT1).

The exact number of equity securities that the Company may issue under an approval under ASX Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

A is the number of shares on issue 12 months before the date of issue or agreement:

- plus the number of shares issued in the previous 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid shares that became fully paid in the previous 12 months;
- plus the number of shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rules 7.1 and 7.4; and

less the number of shares cancelled in the previous 12 months;

D is 10%; and

E is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that has not been subsequently approved by shareholders under ASX Listing Rule 7.4.

The following information is provided in accordance with ASX Listing Rule 7.3A:

1. The equity securities will be issued at an issue price of not less than 75% of the VWAP for the Equity Securities over the 15 Trading Days on which trades in the relevant class were recorded immediately before:
  - (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (b) if the equity securities are not issued within 10 trading days of the date in paragraph (a) above, the date on which the equity securities are issued.
2. The equity securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:
  - (a) 12 months after the date of this Meeting;
  - (b) the time and date of the Company's next Annual General Meeting; and
  - (c) the time and date of approval by Shareholders of any transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).
3. If shareholders approve Resolution 7 and the Company issues equity securities under the 10% Placement Facility, the existing shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:
  - (a) the market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date shareholders provide their approval at the AGM; and
  - (b) the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date, which may have an effect on the amount of funds raised by the issue of the equity securities.

In accordance with ASX Listing Rule 7.3A.2, the table below shows the dilution of existing shareholders on the basis of an issue price of \$0.028 per share which was the closing price of AT1 shares on 13 September 2023 and the number of fully paid ordinary shares for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at 13 September 2023.

<b>Variable A in Listing Rule 7.1.A.2</b>		\$ 0.014	\$ 0.028	\$ 0.056
		<b>50% decrease in issue price</b>	<b>Issue Price</b>	<b>100% increase in issue price</b>
<b>Current Variable A</b>	<b>10% Voting Dilution</b>	63,920,231	63,920,231	63,920,231
639,202,310	<b>Funds Raised</b>	\$ 894,883	\$ 1,789,766	\$ 3,579,533
<b>50% increase in Current Variable A</b>				
	<b>10% Voting Dilution</b>	95,880,347	95,880,347	95,880,347
958,803,465	<b>Funds Raised</b>	\$ 1,342,325	\$ 2,684,650	\$ 5,369,299
<b>100% increase in current Variable A</b>				
	<b>10% Voting Dilution</b>	127,840,462	127,840,462	127,840,462
1,278,404,620	<b>Funds Raised</b>	\$ 1,789,766	\$ 3,579,533	\$ 7,159,066

The table also shows:

- (a) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require shareholder approval (for example, a pro rata entitlements issue to all shareholders) or future specific placements under Listing Rule 7.1 that are approved at a future shareholders' meeting; and
- (b) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% against the issue price as at 13 September 2023.

The table has been prepared on the following assumptions:

- (a) The Company issues the maximum number of equity securities available under the 10% Placement Facility.
  - (b) None of the 14,548,331 unquoted options that the Company currently has on issue are exercised into shares before the date of the issue of the equity securities.
  - (c) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - (d) The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Facility, based on that shareholder's holding at the date of the Annual General Meeting.
  - (e) The table shows only the effect of issues of equity securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (f) The issue of equity securities under the 10% Placement Facility consists only of shares.
  - (g) The issue price is \$0.028 being the closing price of the Company's shares on ASX on 13 September 2023.
4. Under ASX Listing Rule 7.1A, the Company may only issue equity securities under the 10% Placement Capacity for cash consideration. The purpose of any issue would be disclosed to shareholders at the time of such an issue. However, in general terms, the Company could issue equity securities under the 10% Placement Capacity to raise cash for general working capital, business development and commercialisation of the Company's products including new product registration activities.
- The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.3 upon issue of any equity securities.
5. The Company's allocation policy will depend on the prevailing market conditions at the time of any proposed issue utilising the 10% Placement Facility.
- The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:
- (a) the methods of raising funds that are available to the Company, including but not limited to, a rights issue or other issue in which existing shareholders can participate;
  - (b) the effect the issue of the equity securities might have on the control of the Company;
  - (c) the financial situation and solvency of the Company; and
  - (d) advice from corporate and financial advisers and brokers (where applicable).
- The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.
6. The Company has not previously sought shareholder approval under ASX Listing Rule 7.1A.
7. As at the date of this Notice, the Company has not invited any existing or new shareholder to participate in an issue of securities under ASX Listing Rule 7.1A. Therefore, no shareholder will be excluded from voting on this Resolution.

#### Directors' Recommendation

The Directors unanimously recommend that shareholders vote **IN FAVOUR** of Resolution 7.



**Annexure A:  
Summary of the Material Terms of Atomo's Employee Option Plan**

Term	Description
Eligible participants	<p>Eligible participants include natural persons who are a:</p> <ul style="list-style-type: none"> <li>(a) permanent full-time or permanent part-time employee; or</li> <li>(b) Director,</li> </ul> <p>of the Company or an Associated Company whom the Board determines to be eligible to participate in the Option Plan (Eligible Option Participant).</p>
Plan Interests	<p>Eligible Option Participants will be provided with an opportunity to acquire a financial interest in the Company, which will align their interests more closely with shareholders and provide greater incentive for them to focus on the Company's longer-term goals.</p>
Quantum	<p>The number of Options offered to an Eligible Option Participant will be specified in the invitation made to that Eligible Option Participant.</p>
Terms and conditions	<p>The Board may from time to time invite an Eligible Option Participant to participate in the Option Plan. Invitations will be subject to such terms as the Board determines and will specify, amongst other things, the following:</p> <ul style="list-style-type: none"> <li>(a) any option fee that may be applicable;</li> <li>(b) the exercise price of the Options;</li> <li>(c) the duration of the Options, including the first and last exercise date of the Options; and</li> <li>(d) the time period for making an application to participate in the Option Plan;</li> </ul> <p>Following receipt by an Eligible Option Participant of an invitation as described above, the Eligible Option Participant may make an application by delivering to the Company a duly completed and executed application form within the closing time specified in the invitation or in accordance with any other procedure set out in the invitation. The Board may then decide to accept or reject the offer made by the Eligible Option Participant</p>
Restrictions	<p>An Option Participant must not assign, transfer, sell or grant a security interest or otherwise deal with an Option.</p> <p>An Option Participant may only exercise an Option in accordance with the terms of the Option Plan.</p> <p>If the Company offers shareholders other securities, the Board will determine whether the other securities are to be offered to Option Participants on the exercise of Options or whether any other equivalent securities, interest or rights will be offered to them if the other securities are not available, and the basis thereof, to the intent that on the exercise of Options the Option Participants will be treated whenever possible as if they were shareholders at the date that the Options are granted to the Option Participant.</p>
Amendments	<p>The Board may at any time amend the Option Plan or waive or amend the application of any of the rules under the Option Plan in relation to an Eligible Option Participant at any time and a change may be given retrospective effect. However, where any amendments will reduce any of the Option Participants' rights in respect of their Plan Shares, the Board must obtain the prior written consent of at least 75% of the Option Participants affected by the change unless the amendment is to correct a manifest error or for the purpose of complying with applicable laws or to take into consideration possible adverse tax implications to the Option Plan arising from changes to relevant tax guidance.</p>