



1. Company details

Name of entity:	Atomo Diagnostics Limited
ABN:	37 142 925 684
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

			AUD
Revenues from ordinary activities	down	75% to	1,358,966
Loss from ordinary activities after tax attributable to the owners of Atomo Diagnostics Limited	down	137% to	(5,743,450)
Loss for the half-year attributable to the owners of Atomo Diagnostics Limited	down	138% to	(5,694,711)
		31 December 2022	31 December 2021
		AUD Cents	AUD Cents
Basic earnings per share		(1.01)	(0.43)
Diluted earnings per share		(1.01)	(0.43)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

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.

3. Net tangible assets

	Reporting period AUD Cents	Previous period AUD Cents
Net tangible assets per ordinary security	<u>2.75</u>	<u>4.28</u>

The net tangible assets / (liabilities) per ordinary security is calculated based on 570,890,991 ordinary shares on issue as at 31 December 2022, and 568,597,807 ordinary shares that were on issue as at 31 December 2021.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.



6. Details of associates and joint venture entities

Not applicable.

7. Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Financial Report.

8. Attachments

Details of attachments (if any):

The Half Year Financial Report of Atomo Diagnostics Limited for the half-year ended 31 December 2022 is attached.

9. Signed

A handwritten signature in black ink that reads "JOHN KEITH".

Signed _____

Date: 23 February 2023

John Keith
Chair
Sydney



Atomo Diagnostics Limited

ABN 37 142 925 684

Half Year Financial Report - 31 December 2022

Atomo Diagnostics Limited
Corporate directory
For the half-year ended 31 December 2022



Directors	John Keith (Chair & Non-Executive Director) John Kelly (Managing Director) Curt LaBelle (Non-Executive Director) Paul Kasian (Non-Executive Director) Deborah Neff (Non-Executive Director) Cheri Walker (Non- Executive Director)
Company secretary	Tharun Kuppanda
Registered office	Level 1 3 - 5 George Street Leichhardt NSW 2040
Principal place of business	Level 1 3 - 5 George Street Leichhardt NSW 2040
Share register	Link Market Services Limited Level 12 680 George Street Sydney NSW 2000
Auditor	BDO Audit Pty Ltd Level 11, 1 Margaret Street Sydney NSW 2000
Solicitors	HWL Ebsworth Lawyers Level 14, Australia Square 264 - 178 George Street Sydney NSW 2000
Stock exchange listing	Atomo Diagnostics Limited shares are listed on the Australian Securities Exchange (ASX code: AT1)
Website	www.atomodiagnosics.com

Atomo Diagnostics Limited
Directors' report
For the half-year ended 31 December 2022



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 2022.

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

Directors

The following persons were directors of Atomo Diagnostics Limited during the whole of the financial half-year and up to the date of this report, 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
Deborah Neff (Non-Executive Director)	15 September 2021	n/a
Cheri Walker (Non-Executive Director)	15 November 2022	n/a

On 25 January 2022, Tharun Kuppanda was appointed as Company Secretary.

Principal activities

The principal activities of the group during the course of the half-year were the development 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 after providing for income tax amounted to AUD5,743,450 (31 December 2021: AUD2,424,213).

Revenue primarily related to the sale of finished products, including sales of COVID-19 rapid antigen tests early in the half and sales of HIV self-tests in Low to Middle Income Countries (LMIC), European and Australian markets. During the period sales of our devices to customers for use in their finished products resumed as customers recommenced looking beyond the COVID-19 pandemic.

Atomo continued to invest in business development activities globally, in particular in the US, UK/Europe and Australia, has extended its portfolio of finished products with the recent transaction to access an hCG pregnancy test for sale in Australia, New Zealand, Canada and the US, and has expanded its rapid test device technology offering with the development of its swab device and customer blister solutions.

As at 31 December 2022, cash and cash equivalents amounted to \$10.2 million.

Significant changes in the state of affairs

- On 25 August 2022, 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 2022.
- On 25 August 2022 and 27 October 2022, the Company issued 533,333 options and 666,666 options respectively 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.

There were no other significant changes in the state of affairs of the group during the financial half-year.



Matters subsequent to the end of the financial half-year

Subsequent to year end, an agreement has been entered into with Iyeza Health in which the company has agreed to forgive the outstanding debt owed by Iyeza Health in exchange for Iyeza Health agreeing to transfer all the assets relating to its HIV ST business in Africa including product registration, branding, customer database and digital assets.

No other matter or circumstance has arisen since 31 December 2022 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 years.

Likely developments and expected results of operations

With approximately \$10.16 million of cash at bank and no debt, Atomo continues to be well funded to pursue its key priorities in the second half of FY23:

- Expanding the HIV self-test market with a focus on growth in, Europe and Australia where products have an improved margin and launching the HIV Professional Use test in Europe
- Focusing on regulatory approvals for the Atomo hCG pregnancy test in markets where Atomo now has the rights to launch this test
- Advancing other potential new tests to expand the portfolio of Atomo finished products in the market
- Continuing to expand Atomo's portfolio of OEM technologies including the swab device, blister solutions and rapid test devices

Environmental Regulation

The group's operations are not subject to any significant environmental regulation under Australian Commonwealth or State law.

The company has identified the following sustainability issues most material to its business and are important to key stakeholders such as investors, consumers, customers, supplier, governments and employees.

- **Employee health and safety:** Ensuring our employees work in a safe environment, which meets or exceeds relevant regulatory expectations, addresses health and safety concerns as they arise and mitigates the risk of recurrence of incidents.
- **Product quality and safety:** Choosing materials from quality sources, complying with ISO 13485 Medical Devices Quality Management, and delivering safe products to customers. Atomo aims to adhere to or exceed strict regulatory standards in all jurisdictions that it serves, and investigates all concerns to ensure our products maintain the highest quality.
- **Ethical purchasing and human rights in the supply chain:** Responsibility to partners to ensure our product line is free from human rights concerns such as forced labour and trafficking, unsafe labour standards and unfair treatment. These issues can arise wherever human resources are utilised across the supply chain.
- **Corruption and bribery:** Business must be conducted with transparency, and free from unethical persuasion. Ethical business practices relate to every aspect of Atomo's business, from identifying product sources, through the development of diagnostics, transactions with regulatory bodies and sale to customers.
- **Compliance:** Responsibility to drive compliance with legal and regulatory requirements applicable to our global business. Includes development of policies and controls, communication and training, oversight and continuous improvement. Consequently, compliance affects every aspect of what we do, to deliver quality products to consumers.
- **Resource use and waste management:** Includes energy usage during manufacture and logistics, water usage and waste as a by-product of manufacture, with particular consideration given to the fact that the products are classified as medical waste upon use. Stakeholders increasingly demand disclosure of resource usage and waste management for a more sustainable product investment.
- **Product pricing and accessibility:** Strategies and initiatives designed to provide more affordable diagnostic pricing and accessibility to products for patients through development, manufacture and marketing of high-quality generic and branded products, with a particular focus on accessible diagnostics for the global health and Lower and Middle Income markets.

The Board believes that the group has adequate systems in place for the management of its exposure to environmental and social risks.



Shares Under Option

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

Expiry Date	Exercise Price	Number of Options
11 April 2023	AUD0.16	4,800,000
14 April 2024	AUD0.25	533,333
14 April 2025	AUD0.25	2,813,331
14 April 2026	AUD0.25	2,266,666
30 April 2024	AUD0.40	2,000,000
30 April 2024	AUD0.60	2,000,000
Total		<u>14,413,330</u>

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.

Atomo Diagnostics Limited
Directors' report
For the half-year ended 31 December 2022



This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read "JOHN KEITH".

John Keith
Chair

23 February 2023
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 2022, 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, 23 February 2023

Atomo Diagnostics Limited
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For the half-year ended 31 December 2022



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General information

The financial statements cover both Atomo Diagnostics Limited as an individual entity and the group consisting of Atomo Diagnostics Limited and the entities it controlled at the end of, or during, the half-year. 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 office and principal place of 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 23 February 2023. The directors have the power to amend and reissue the financial statements.

Atomo Diagnostics Limited
Statements of profit or loss and other comprehensive income
For the half-year ended 31 December 2022



		Consolidated	
		31	31
		December	December
	Note	2022	2021
		AUD	AUD
Revenue	2	1,358,966	5,343,469
Costs of sales		<u>(1,117,807)</u>	<u>(3,581,622)</u>
Gross profit		241,159	1,761,847
Other Income	3	602,865	2,163,301
Employee benefits expense	4	(2,411,789)	(2,107,708)
Foreign exchange gains/(losses)		88,635	47,117
Depreciation and amortisation expense	4	(1,048,008)	(936,290)
Research and development expenses		(383,847)	(743,374)
Insurance		(218,550)	(218,401)
Inventory obsolescence expense		(1,045,212)	(55,581)
IT expenses		(102,332)	(134,927)
Occupancy expenses		(4,264)	(42,007)
Professional and consulting fee expenses		(420,202)	(1,304,317)
Regulatory expenses		(284,675)	(356,442)
Travel expenses		(213,368)	(23,608)
Other expenses		(535,896)	(468,613)
Finance costs	4	<u>(7,966)</u>	<u>(5,210)</u>
Loss before income tax expense		(5,743,450)	(2,424,213)
Income tax expense		-	-
Loss after income tax expense for the half-year		(5,743,450)	(2,424,213)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>48,739</u>	<u>36,094</u>
Other comprehensive income for the half-year, net of tax		<u>48,739</u>	<u>36,094</u>
Total comprehensive income for the half-year		<u><u>(5,694,711)</u></u>	<u><u>(2,388,119)</u></u>
		AUD Cents	AUD Cents
Basic earnings per share	17	(1.01)	(0.43)
Diluted earnings per share	17	(1.01)	(0.43)

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

Atomo Diagnostics Limited
Statements of financial position
As at 31 December 2022



		Consolidated	
		31	
	Note	December	30 June
		2022	2022
		AUD	AUD
Assets			
Current assets			
Cash and cash equivalents	5	10,160,758	12,966,400
Trade and other receivables	6	1,536,817	2,678,106
Inventories	7	1,933,965	3,420,647
Total current assets		<u>13,631,540</u>	<u>19,065,153</u>
Non-current assets			
Property, plant and equipment	8	3,035,741	3,665,230
Right-of-use assets		248,134	316,786
Intangible assets	9	3,454,271	3,574,690
Total non-current assets		<u>6,738,146</u>	<u>7,556,706</u>
Total assets		<u>20,369,686</u>	<u>26,621,859</u>
Liabilities			
Current liabilities			
Trade and other payables		598,028	1,083,212
Lease liabilities		142,573	155,926
Provisions		244,074	291,158
Total current liabilities		<u>984,675</u>	<u>1,530,296</u>
Non-current liabilities			
Lease liabilities		129,139	184,879
Provisions		100,264	92,970
Total non-current liabilities		<u>229,403</u>	<u>277,849</u>
Total liabilities		<u>1,214,078</u>	<u>1,808,145</u>
Net assets		<u>19,155,608</u>	<u>24,813,714</u>
Equity			
Issued capital	10	68,036,837	68,036,837
Reserves		888,692	803,348
Accumulated losses		(49,769,921)	(44,026,471)
Total equity		<u>19,155,608</u>	<u>24,813,714</u>

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

Atomo Diagnostics Limited
Statements of changes in equity
For the half-year ended 31 December 2022



Consolidated	Issued Capital AUD	Foreign Currency Translation Reserve AUD	Share Based Payment Reserve AUD	Accumulated Losses AUD	Total equity AUD
Balance at 1 July 2021	67,921,661	(227,690)	713,027	(38,319,617)	30,087,381
Loss after income tax expense for the half-year	-	-	-	(2,424,213)	(2,424,213)
Other comprehensive income for the half-year, net of tax	-	36,094	-	-	36,094
Total comprehensive income for the half-year	-	36,094	-	(2,424,213)	(2,388,119)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	-	174,805	-	174,805
Balance at 31 December 2021	<u>67,921,661</u>	<u>(191,596)</u>	<u>887,832</u>	<u>(40,743,830)</u>	<u>27,874,067</u>
Consolidated	Issued Capital AUD	Foreign Currency Translation Reserve AUD	Share Based Payment Reserve AUD	Accumulated Losses AUD	Total equity AUD
Balance at 1 July 2022	68,036,837	(63,078)	866,426	(44,026,471)	24,813,714
Loss after income tax expense for the half-year	-	-	-	(5,743,450)	(5,743,450)
Other comprehensive income for the half-year, net of tax	-	48,739	-	-	48,739
Total comprehensive income for the half-year	-	48,739	-	(5,743,450)	(5,694,711)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	-	36,605	-	36,605
Balance at 31 December 2022	<u>68,036,837</u>	<u>(14,339)</u>	<u>903,031</u>	<u>(49,769,921)</u>	<u>19,155,608</u>

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

Atomo Diagnostics Limited
Statements of cash flows
For the half-year ended 31 December 2022



	Consolidated	
	31	31
	December	December
Note	2022	2021
	AUD	AUD
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	1,803,667	7,721,551
Payments to suppliers and employees (inclusive of GST)	<u>(5,422,101)</u>	<u>(11,836,947)</u>
	(3,618,434)	(4,115,396)
Interest received	26,203	4,835
R & D and other government incentives received	<u>1,208,555</u>	<u>1,823,828</u>
Net cash used in operating activities	16 <u>(2,383,676)</u>	<u>(2,286,733)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(77,237)	(1,202,155)
Payments for intangibles	<u>(328,878)</u>	<u>(797,740)</u>
Net cash used in investing activities	<u>(406,115)</u>	<u>(1,999,895)</u>
Cash flows from financing activities		
Repayment of lease liabilities	<u>(86,396)</u>	<u>(18,736)</u>
Net cash used in financing activities	<u>(86,396)</u>	<u>(18,736)</u>
Net decrease in cash and cash equivalents	(2,876,187)	(4,305,364)
Cash and cash equivalents at the beginning of the financial half-year	12,966,400	17,946,517
Effects of exchange rate changes on cash and cash equivalents	<u>70,545</u>	<u>42,331</u>
Cash and cash equivalents at the end of the financial half-year	5 <u><u>10,160,758</u></u>	<u><u>13,683,484</u></u>

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



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.

Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 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 any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

New or amended Accounting Standards and Interpretations adopted

The group 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.

Reclassification of prior year amounts and balances

When required by Accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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

	Consolidated	
	31	31
	December	December
	2022	2021
	AUD	AUD
Point of care tests	1,259,470	5,284,587
Point of care technology	87,723	-
Other	11,773	58,882
	<u>1,358,966</u>	<u>5,343,469</u>

The group has reclassified revenue categories to reflect the type of goods and services that are provided to customers. These categories are Point of care (POC) tests and Point of care (POC) technology.

POC tests revenue line aggregates previously segregated HIV and COVID sales that were sold. The group intends to expand its portfolio of POC tests and is therefore combining these revenue items into one category.

POC technology revenue line aggregates previously classified OEM sales, services and other potential component technology offerings.



Note 3. Other Income

	Consolidated	Consolidated
	31	31
	December	December
	2022	2021
	AUD	AUD
R&D tax rebate	530,510	509,768
Licence and settlement fees	9,552	1,648,698
Government grant	36,600	-
Interest income	26,203	4,835
	<u>602,865</u>	<u>2,163,301</u>

Note 4. Expenses

	Consolidated	Consolidated
	31	31
	December	December
	2022	2021
Profit / (loss) before income tax from continuing operations includes the following specific expenses:		
Employee benefits expense		
Salaries, wages and directors' fees	(2,085,281)	(1,710,937)
Contributions to defined contribution superannuation funds	(141,819)	(143,267)
Equity-settled share-based payments	(36,605)	(174,805)
Other employment related expenses	(148,085)	(78,699)
	<u>(2,411,790)</u>	<u>(2,107,708)</u>
Depreciation and amortisation		
Depreciation expense (Note 8)	(706,655)	(661,220)
Amortisation expense (Note 9)	(263,364)	(236,514)
Right-of-use assets	(77,989)	(38,557)
	<u>(1,048,008)</u>	<u>(936,291)</u>
Net finance cost		
Lease interest expense	(7,966)	(5,210)
	<u>(7,966)</u>	<u>(5,210)</u>

Note 5. Current assets - cash and cash equivalents

	Consolidated	Consolidated
	31	30 June
	December	2022
	2022	2022
	AUD	AUD
Cash at bank	<u>10,160,758</u>	<u>12,966,400</u>



Note 6. Current assets - trade and other receivables

	Consolidated	
	31	
	December	30 June
	2022	2022
	AUD	AUD
Trade receivables	709,166	975,857
Less: Allowance for expected credit losses	<u>(11,669)</u>	<u>(56,884)</u>
	<u>697,497</u>	<u>918,973</u>
Other receivables	401,533	587,179
R&D tax rebate receivable	<u>437,787</u>	<u>1,171,954</u>
	<u><u>1,536,817</u></u>	<u><u>2,678,106</u></u>

Note 7. Current assets - inventories

	Consolidated	
	31	
	December	30 June
	2022	2022
	AUD	AUD
Raw materials - at cost	1,843,508	1,924,952
Less: Provision for impairment	<u>(10,034)</u>	<u>(23,541)</u>
	<u>1,833,474</u>	<u>1,901,411</u>
Work in progress - at cost	23,843	33,421
Less: Provision for impairment	<u>(16,169)</u>	<u>(24,871)</u>
	<u>7,674</u>	<u>8,550</u>
Finished goods - at cost	1,106,822	1,485,757
Less: Provision for impairment	<u>(1,037,139)</u>	<u>-</u>
	<u>69,683</u>	<u>1,485,757</u>
Stock in transit - at cost	<u>23,134</u>	<u>24,929</u>
	<u><u>1,933,965</u></u>	<u><u>3,420,647</u></u>

As at 31 December, approx. \$1.06m stock was provisioned which substantially comprises COVID-19 professional use rapid antigen tests. Demand for the tests has substantially reduced and the tests are due to expire during H2 FY23.



Note 8. Non-current assets - property, plant and equipment

	Consolidated	
	31	
	December	30 June
	2022	2022
	AUD	AUD
Leasehold improvements - at cost	477,883	463,064
Less: Accumulated depreciation	(110,951)	(90,406)
Total leasehold improvements	<u>366,932</u>	<u>372,658</u>
Plant and equipment - at cost	7,134,214	7,071,857
Less: Accumulated depreciation	(4,465,405)	(3,779,285)
Total plant and equipment	<u>2,668,809</u>	<u>3,292,572</u>
Total property, plant and equipment	<u>3,035,741</u>	<u>3,665,230</u>

Reconciliations

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

Consolidated	Leasehold improvements AUD	Plant and equipment AUD	Total AUD
Balance at 1 July 2022	372,658	3,292,572	3,665,230
Additions	14,818	62,358	77,176
Depreciation expense	(20,545)	(686,120)	(706,665)
Balance at 31 December 2022	<u>366,931</u>	<u>2,668,810</u>	<u>3,035,741</u>

Note 9. Non-current assets - intangible assets

	Consolidated	
	31	
	December	30 June
	2022	2022
	AUD	AUD
Development - at cost	3,002,140	2,909,418
Less: Accumulated amortisation	(932,232)	(706,905)
Total Development - at cost	<u>2,069,908</u>	<u>2,202,513</u>
Patents and trademarks - at cost	1,633,593	1,627,442
Less: Accumulated amortisation	(705,657)	(668,821)
Total Patents and trademarks - at cost	<u>927,936</u>	<u>958,621</u>
Other intangible assets - at cost	536,964	492,902
Less: Accumulated amortisation	(80,537)	(79,346)
Total Other intangible assets - at cost	<u>456,427</u>	<u>413,556</u>
Total intangible assets	<u>3,454,271</u>	<u>3,574,690</u>



Note 9. 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:

Consolidated	Patents and trademarks AUD	Product development costs AUD	Other intangibles AUD	Total AUD
Balance at 1 July 2022	958,621	2,202,513	413,556	3,574,690
Additions	6,150	-	44,062	50,212
Capitalised R&D rebate recognised as income	-	92,723	-	92,723
Amortisation expense	(36,835)	(225,327)	(1,192)	(263,354)
Balance at 31 December 2022	927,936	2,069,909	456,426	3,454,271

Note 10. Equity - issued capital

	Consolidated			
	31 December 2022 Shares	30 June 2022 Shares	31 December 2022 AUD	30 June 2022 AUD
Ordinary shares - fully paid	<u>570,890,991</u>	<u>570,890,991</u>	<u>68,036,837</u>	<u>68,036,837</u>

Note 11. Contingent assets

There were no contingent assets as at 31 December 2022.

Note 12. Contingent liabilities

There were no contingent liabilities as at 31 December 2022.

Note 13. Commitments

	Consolidated	
	31 December 2022 AUD	31 December 2021 AUD
Committed at the reporting date but not recognised as liabilities, payable: Inventory	<u>-</u>	<u>145,060</u>

Note 14. 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:



Note 14. Related party transactions (continued)

	Consolidated	Consolidated
	31	31
	December	December
	2022	2021
Short-term employee benefits	863,392	823,226
Post-employment benefits	41,264	51,318
Share-based payments	26,750	79,905
	<u>931,406</u>	<u>954,449</u>
Total key management personnel compensation	<u>931,406</u>	<u>954,449</u>

(b) Key management personnel transactions

Directors and other key management personnel hold 26.6% of the issued capital of the company as at 31 December 2022 (30 June 2022: 26.4%).

(c) Transactions with related parties

There were no transactions with related parties during the current and previous financial half-year.

Note 15. Events after the reporting period

Subsequent to year end, an agreement has been entered into with Iyeza Health in which the company has agreed to forgive the outstanding debt owed by Iyeza Health in exchange for Iyeza Health agreeing to transfer all the assets relating to its HIV ST business in Africa including product registration, branding, customer database and digital assets.

No other matter or circumstance has arisen since 31 December 2022 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 years.

Note 16. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	Consolidated
	31	31
	December	December
	2022	2021
	AUD	AUD
Loss after income tax expense for the half-year	(5,743,450)	(2,424,213)
Adjustments for:		
Depreciation and amortisation	1,048,008	936,290
Share-based payments	36,605	174,805
Foreign exchange differences	(21,806)	(6,237)
Finance costs	7,966	5,210
Bad debt (reversal)	(43,144)	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	926,908	1,615,882
Decrease/(increase) in inventories	1,486,682	(2,307,699)
Decrease in prepayments	164,802	-
Decrease in trade and other payables	(206,457)	(252,991)
Decrease in employee benefits	(39,790)	(27,780)
	<u>(2,383,676)</u>	<u>(2,286,733)</u>
Net cash used in operating activities	<u>(2,383,676)</u>	<u>(2,286,733)</u>



Note 17. Earnings per share

	Consolidated	
	31	31
	December	December
	2022	2021
	AUD	AUD
Loss after income tax	<u>(5,743,450)</u>	<u>(2,424,213)</u>
Loss after income tax used in calculating diluted earnings per share	<u><u>(5,743,450)</u></u>	<u><u>(2,424,213)</u></u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>570,890,991</u>	<u>568,597,807</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u><u>570,890,991</u></u>	<u><u>568,597,807</u></u>
	AUD Cents	AUD Cents
Basic earnings per share	(1.01)	(0.43)
Diluted earnings per share	(1.01)	(0.43)

Atomo Diagnostics Limited
Directors' declaration
For the half-year ended 31 December 2022



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 company's and group's financial position as at 31 December 2022 and of their 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

A handwritten signature in black ink, appearing to read "JOHN KEITH".

John Keith
Chair

23 February 2023
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 2022, 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 2022 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 2022 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 signature of the BDO firm, consisting of the letters 'BDO' in a cursive script.

A handwritten signature in cursive script that reads 'Gareth Few'.

Gareth Few
Director

Sydney, 23 February 2023