



atomo

H1 FY24

RESULTS

PRESENTATION

WHO IS ATOMO AND WHAT DO WE DO?

Our unique portfolio of test solutions are increasingly relevant in a diagnostic market transitioning to decentralised and at-home environments

WHO IS ATOMO?

- Headquartered in Australia and with operations in South Africa, we develop, manufacture and supply innovative rapid tests and test devices into Point-of-Care (POC) and self-test/consumer markets
- Our solutions are increasingly recognised as delivering best-in-class usability & accuracy and delivering high levels of user preference across rapid testing applications
- Proven usability and an ability to secure hard to achieve blood-based approvals in key markets gives Atomo potential to achieve first mover success in key international markets
- Atomo's products offer a significant growth opportunity as the market continues to shift to decentralised and at-home testing post-pandemic

WHAT DO WE DO?

- **Point of Care Rapid Test Products:**
 - Supply of commercialised rapid blood test for HIV across global markets and launch pending for blood pregnancy
 - Interest in a range of infectious disease and wellness applications where Atomo's channel partners have expressed interest
- **Point of Care Test Platform Technology:**
 - Commercialised solutions supplied to partners requiring improved usability, or seeking CLIA waiver / self-test approvals
 - Custom cassette solutions (blood and swab-based) developed for diagnostic partners in lateral flow and rapid molecular markets



H1 FY24 - PROFIT & LOSS

AUD	H1 FY24(\$m)	H1 FY23(\$m)	(%)
Revenue	1.92	1.36	41%
Cost of sales	(1.05)	(1.12)	
Gross Profit	0.87	0.24	263%
Gross Margin	45%	18%	
Less COVID-19 rapid test sales		(0.39)	
Normalised Revenue*	1.92	0.97	98%
Normalised Gross Margin*	45%	39%	
Other income	0.58	0.61	(5%)
Employee benefits expense	(2.33)	(2.41)	3%
Foreign exchanges gains/(losses)	0.01	0.09	89%
Research and development costs	(0.11)	(0.38)	71%
Professional fees expense	(0.34)	(0.42)	19%
Inventory obsolescence expense	(0.02)	(1.05) ^a	98%
Other expenses	(0.96)	(1.35)	29%
Underlying EBITDA	(2.30)	(4.67)	51%

- Normalised revenue doubled period on period from <\$1m to \$1.92m, suggesting increasing demand for Atomo products and technology
- Normalised gross margin also improved materially when compared with H1 FY23, with gross margin for the period ended H1 FY24 at 45%
- Revenue of \$1.92m includes \$1.52m relating to finished product sales and \$407k relating to sales of OEM cassettes. Orders continue to be received supporting H2 FY24 outlook
- With historical investment already made supporting Atomo's core business infrastructure, patents, products and manufacturing capacity, key focus is directed towards reducing business costs and investing prudently in key areas of the business to support revenue generating activities
- Ongoing measures continued to reduce operating expenditure with expenses moderating and are within target at less than \$600 per month

*Excluding COVID
Prior year comparative includes \$1m COVID stock provision



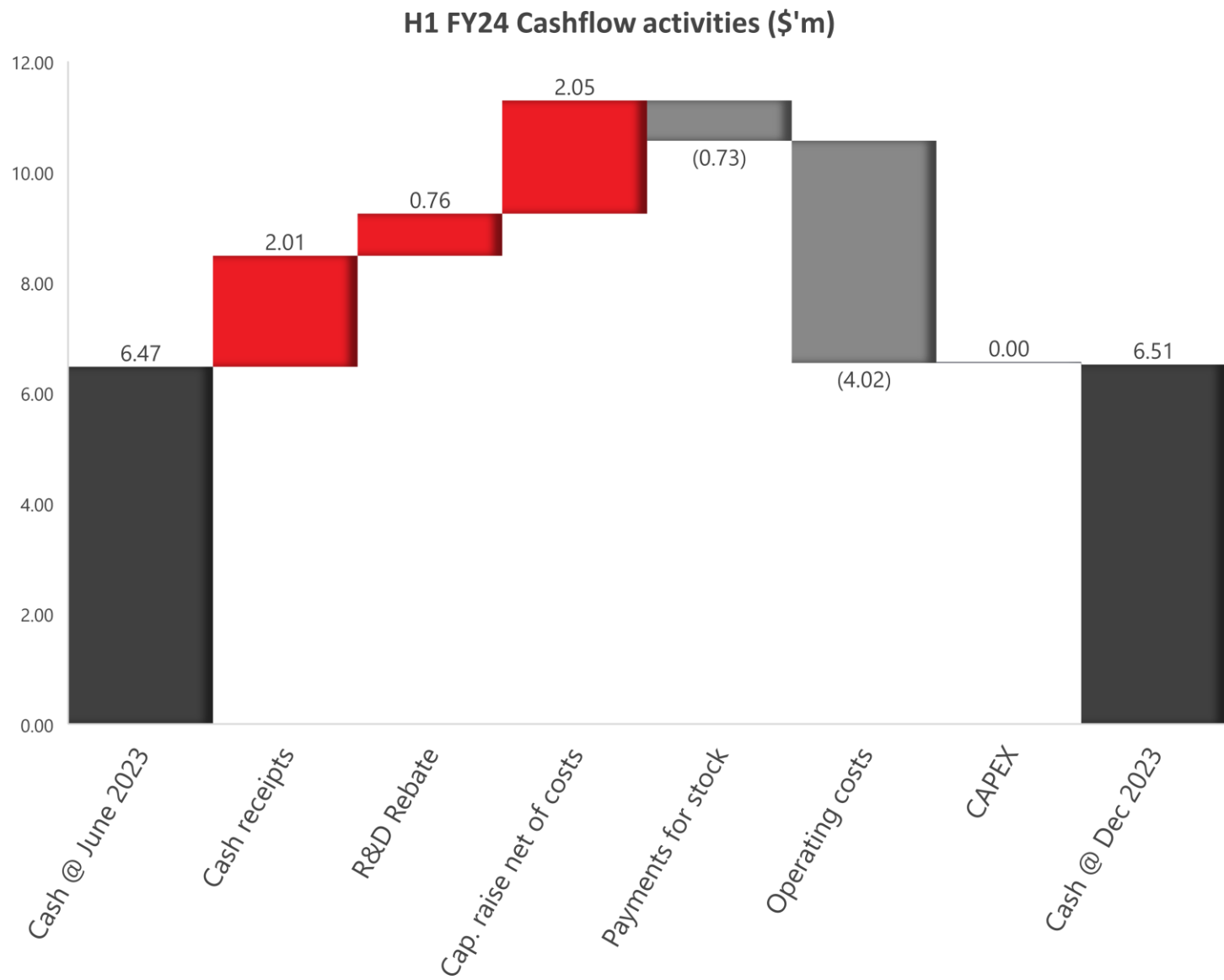
H1 FY24 – BALANCE SHEET

AUD	H1 FY24 (\$m)	FY23 (\$m)
Cash and cash equivalents	6.51	6.47
Trade and other receivables	1.31	1.82
Inventories	1.81	2.14
Property, plant and equipment	2.06	2.51
Intangible assets	3.08	3.30
Other assets	0.15	0.23
Total assets	14.92	16.47
Trade and other payables	0.69	0.86
Other liabilities	0.54	0.82
Total liabilities	1.23	1.68
Net Assets	13.69	14.79

- **Cash balance of \$6.51m at 31 December 23 and debt free**
- Capital raised during the period resulting in share capital increase of \$2m net of costs
- Capitalised expenditure relating to R&D and PPE was insignificant during the period. With investment in infrastructure already completed, movement largely driven by depreciation/amortisation in line with useful life assessments of assets
- Ongoing targeted investment continues to focus on expanding finished products sales and securing new OEM cassette business (development fees and cassette supply), utilising Atomo's existing technologies and IP



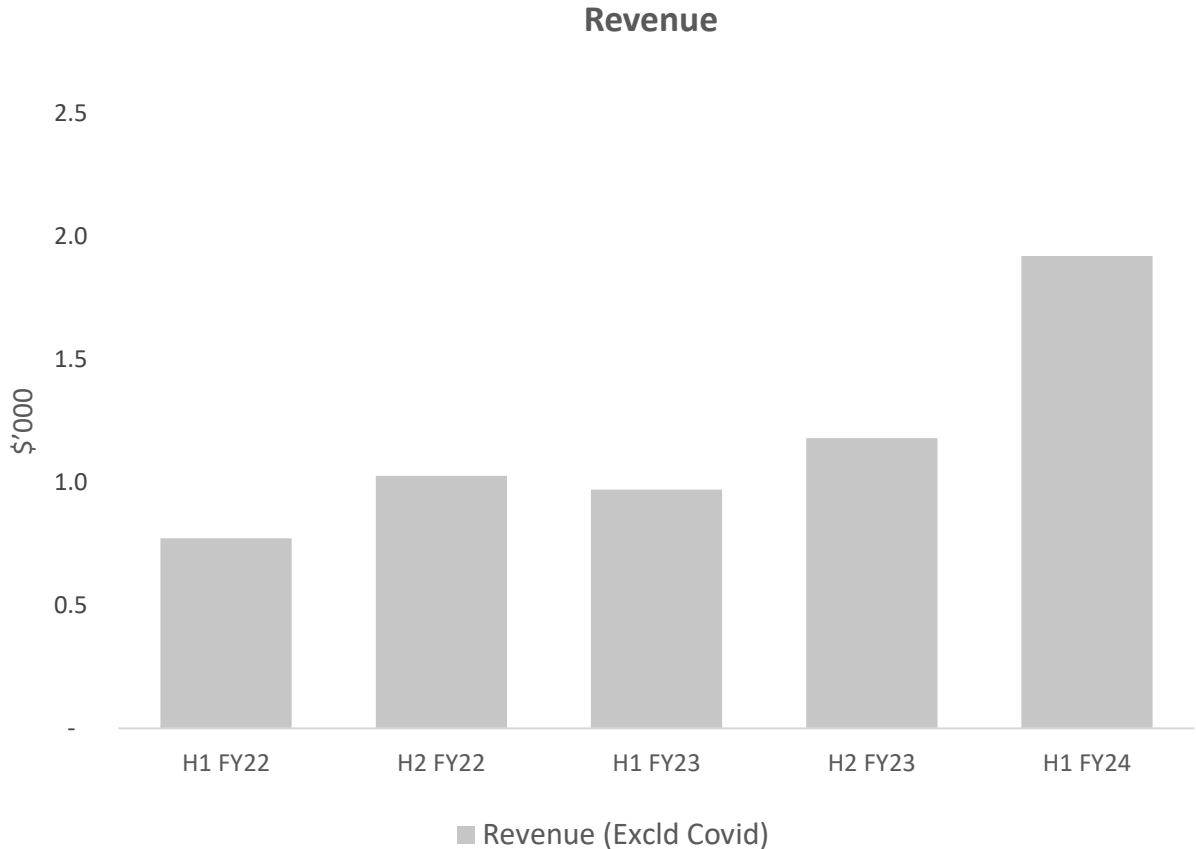
H1 FY24 – CASH FLOW



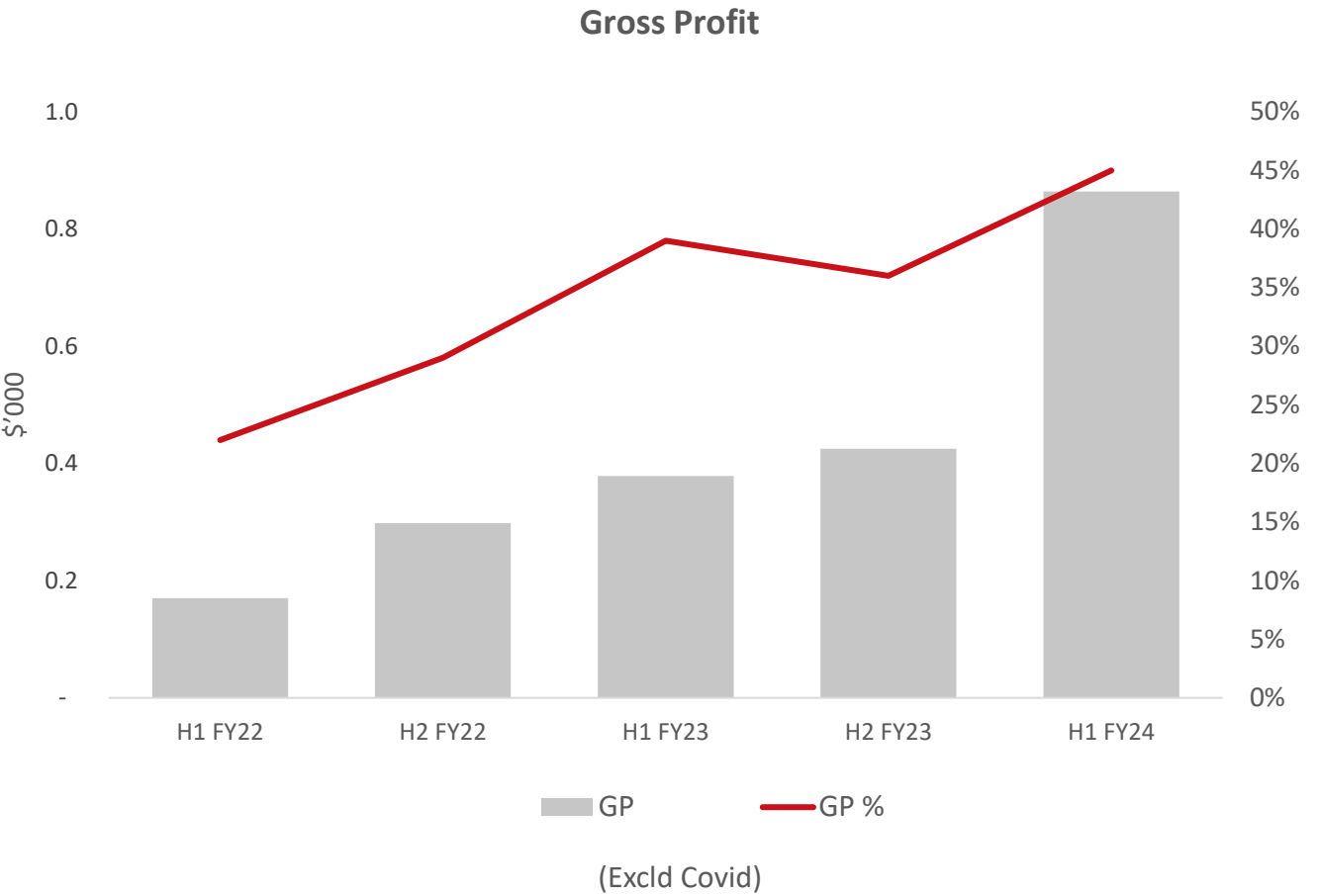
- **Cash receipts for the period totalled \$4.8m**
- ~\$2m was received from product sales and an additional \$761k received from the R&D tax rebate
- Capital raised during the period net of transaction cost ~\$2m
- Cash payments for stock of \$734k
- **Total Cash inflow for the H1 period was ~\$50k** - a small top up raise, increased sales revenues, improved gross margins and reduced operating costs all contributed to Atomo's improved cash position



IMPROVING REVENUES AND MARGINS

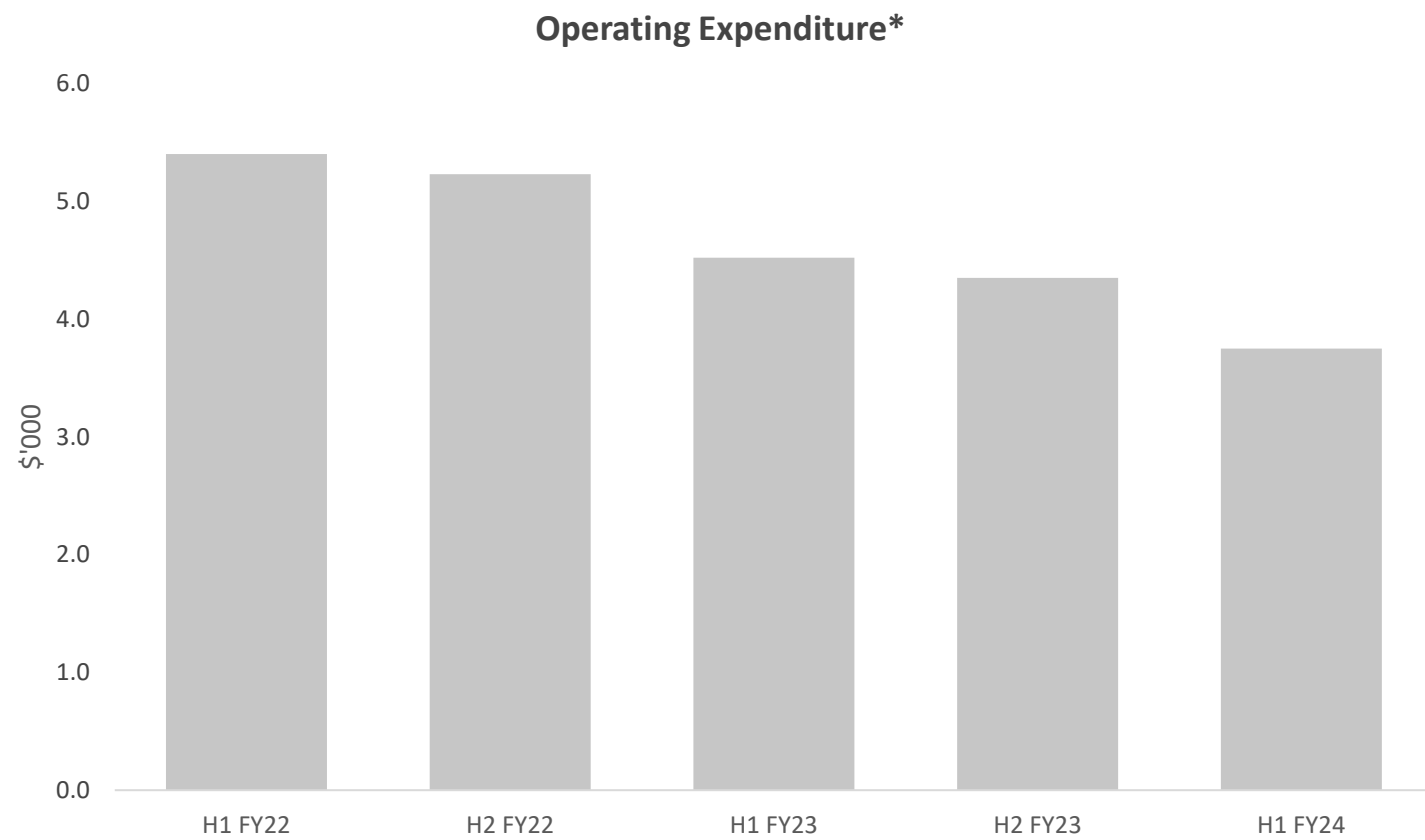


- Revenue, Gross Profit and underlying Gross Margin all show material improvement as the company emerges into a more user-focused market post COVID

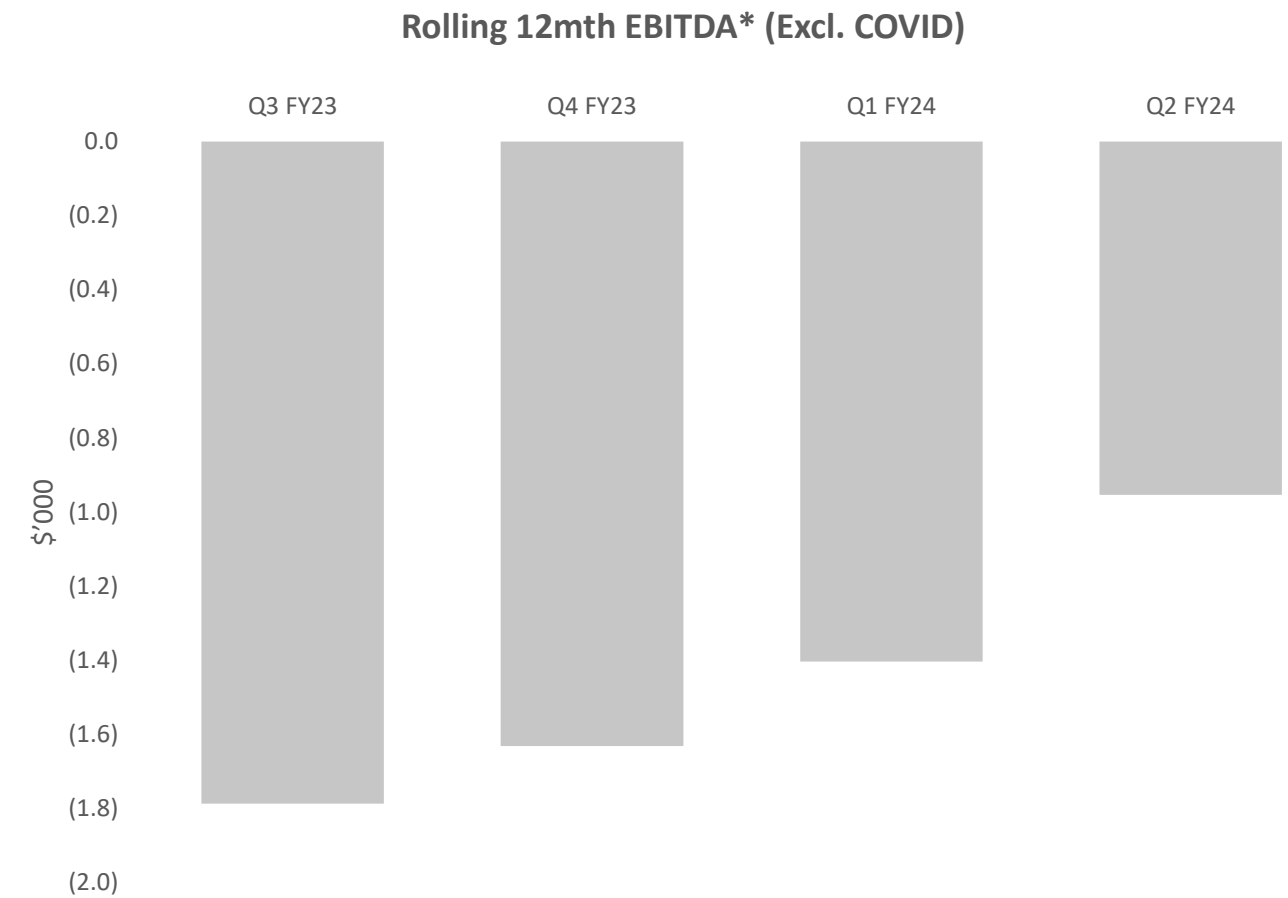


- Increasing market traction outside of global health channels sees quality of revenue and gross margins continue to improve

REDUCING BUSINESS COSTS AND LOSSES



- OPEX continues to reduce materially having come down ~30% over the last two years, with further reduction implementation ongoing in H2 FY24



- Growing margins and reduced operating costs see EBITDA loss now reducing with further improvement expected to continue into the future as core business grows and new customers come to the technology

*Operating expenses and EBITDA prior to one-off stock obsolescence H1 FY23 for COVID Stock \$1m



DRIVERS OF MARKET ACCEPTANCE

Pascal has been independently validated* as delivering very significant reduction in user errors and high levels of user preference:

This combination of offering unmatched ease of use and reliability in the hands of untrained users makes Atomo's solutions increasingly attractive in a user focused market

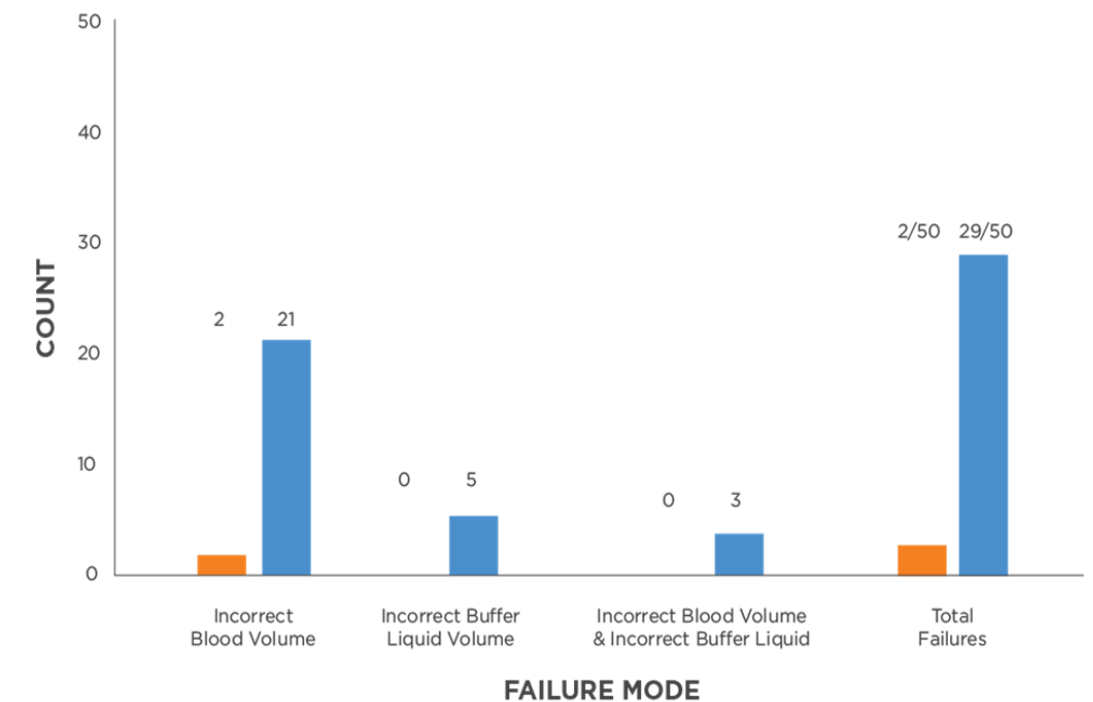
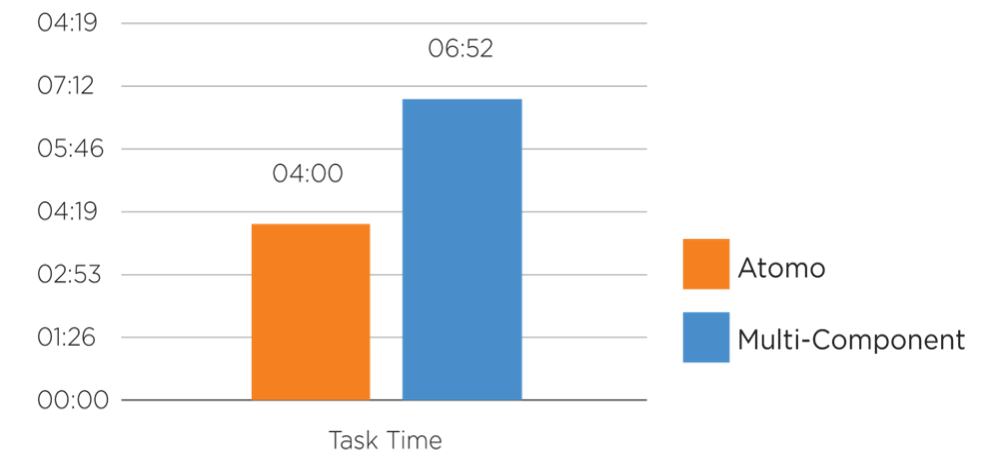
Recent milestones such as US FDA approval and securing contacts to supply leading retail chains such as TESCO in the UK provide further evidence of the value proposition to potential partners



90% of participants found the Pascal test easier to use than a multi-component kit*



Pascal reduced critical errors by more than 90% compared to a multi-component kit*



*Pascal Usability Study 2023 – Ergonomie Laboratories



NOVEL TECHNOLOGY – INCREASINGLY MARKET RELEVANT

Atomo offers partners a broad range of unique products that fundamentally improve rapid testing performance and user acceptance



BLOOD TEST SOLUTIONS

A range of proprietary integrated blood test devices proven to reduce common errors with rapid testing and improve usability, especially with untrained self-test users

Commercialised across an increasing range of clinical applications



SWAB TEST SOLUTIONS

Portfolio of patents and device development that improve swab and saliva rapid testing

Supports a broad range of swabs with multiple test applications, including many existing Quidel-Ortho rapid test products

Compatible with existing standard cassettes

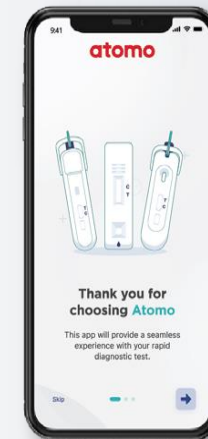


INTEGRATED REAGENT SOLUTIONS

Direct supply opportunity to OEM device partners and POC cassette developers; esp. in rapid molecular and microfluidic markets

Frangible seal delivers best in class precision and multi-stage reagent delivery

Co-commercialisation/license or component supply options



DIGITAL HEALTH SOLUTIONS

Digital IFU to improve usability. Automated Image Recognition to interpret results (removes errors and improves precision)

Result quantitation and traceability

Patented Blood delivery QC algorithm to ensure valid assay result



USER-FRIENDLY RAPID TESTING COMES OF AGE

Post COVID and post US FDA approval of Pascal, Atomo is seeing increasing awareness of and interest in its novel integrated rapid test solutions

Re-emerging OEM Technology demand post COVID: Existing OEM customers NG Biotech and Lumos Diagnostics both reordering after COVID hiatus and making good progress since recommencing activities related to their Pascal blood-based tests post COVID:

- Lumos secured US 510k approval from FDA (to add to existing Health Canada, Australian TGA and CE Mark)
- NG Biotech secured Brazilian product registration and recently secured a distribution agreement with TOWA Pharmaceutical covering launch in a number of European countries

Establishing a new expanded customer base for Atomo's integrated OEM test cassettes: Increase enquiries and commercial discussions related to accessing Atomo products and technology

- A \$3m grant funded partnership with Nexsen Biotech and RMIT related to a Step B rapid test utilising Atomo's Swab test device and product development capabilities*
- An inaugural purchase order from a global diagnostic company relating to assessment of Atomo cassettes for potential use with a diagnostic reader system
- Several on-going custom cassette development discussions post Atomo presenting at the Advanced Lateral Flow Conference (ALFC 2024) in San Diego earlier this month



<https://lateralflowconference.com/>

*This project will drive the development and clinical validation of StrepSure™, an innovative, low-cost sensor technology for ultrasensitive, accurate and rapid diagnosis of GBS in point-of-care settings. The outcomes will allow NexSen Biotech, a mission-driven entity focussed on improving women's health to take this cutting-edge diagnostic technology from the labside to the bedside and the market.

<https://www.rmit.edu.au/news/all-news/2024/feb/strepSure>



ATOMO'S HIV BUSINESS

Atomo saw good momentum in its HIV business develop this last year due to two main trends:

- Increasing adoption of consumer self-test through mainstream retail channels
- Recognition by public health of the need to utilise self-test to manage HIV



Atomo's contract with Newfoundland Diagnostics has seen our HIV test recently launched in Tesco supermarkets across the UK and in pharmacy stores across Germany, with more than 400,000 tests ordered in the first year



Atomo's global health partner Viartis continues to promote the Mylan branded version of the Atomo HIV Self-Test across Africa, with good progress made in a number of national tenders recently.

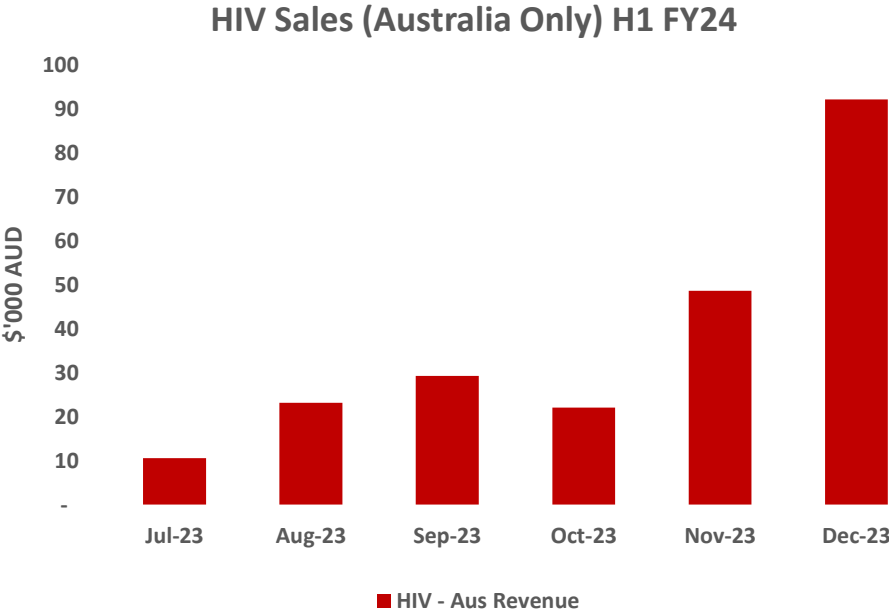
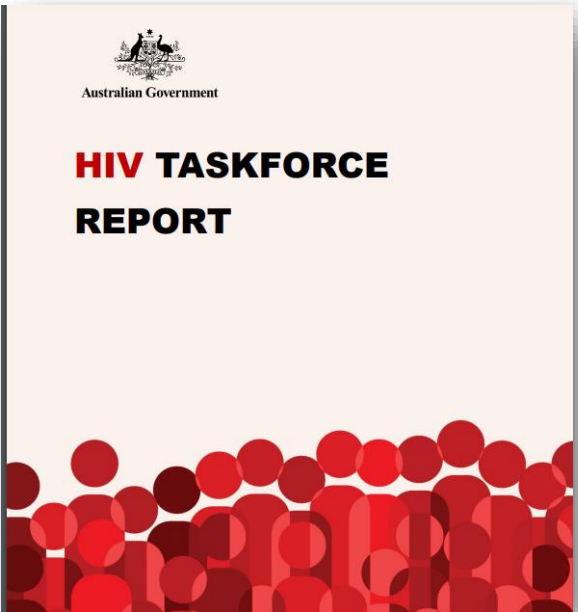
Atomo being the only HIV Self-Test manufacturer producing in Africa continues to generate interest from leading global health funders



Grindr for Equality Team's Equality Outreach Manager, Steph Niaupari, and Director Jack Harrison-Quintana visiting Atomo's Cape Town Facility



ATOMO'S AUSTRALIAN HIV BUSINESS



Over the last two years Atomo has helped pilot innovative ways to access HIV testing in Australia, including vending machines in Universities and adult premises, as well as a ‘free to user’ funded home delivery program

<https://hivtest.au/>

30 Nov 2023: Based on a growing body of evidence demonstrating demand for HIV Self-Testing, the Australian Government adopts HIV Self-Test as a key pillar of the its management of HIV moving forward

<https://www.health.gov.au/resources/publications/hiv-taskforce-report?language=en>

Increased options for accessing HIV Self-Tests outside of Pharmacy channels has enabled Atomo to grow its HIV business locally

It is anticipated that the formal adoption of HIV Self Test as a pillar of Government policy into health budgets will further drive demand for Atomo’s HIV Test over the coming years

FIRST BLOOD BASED PREGNANCY SELF-TEST PREGNANCY TO MARKET*

The AtomoNOW rapid pregnancy test is a unique solution in a very large addressable consumer test market

Our blood-based pregnancy test offers a number of significant advantages over traditional urine based rapid tests:

- Earlier detection of pregnancy and more reliable in the early phases of pregnancy
- Can perform the test at any time of day (rather than needing first flow with urine)

Atomo and NG Biotech (NGB) have been generating additional data requested by TGA. Atomo submitted a response end of January and remains hopeful that both versions of the product will receive regulatory approval for Australia during 2024

NGB secured a strategic partnership agreement with multinational TOWA Pharmaceutical covering NGB's version of the Pascal based blood pregnancy self-test with launch planned in April across several European countries, and seeing NGB now ordering an additional container of Pascal devices to support this demand



We consistently see that 1 in 5 pregnancy test purchasers would buy AtomoNOW**

Matches the proportion who feel very positive about the concept and express that they are very interested in purchasing it (unpriced) and the proportion who say they will buy it at US\$20

***Independent survey of 300 women aged 18-45 in Australia who bought a pregnancy test in the last 12 months*

** The Test is commercialised in France, the UK, Brazil and other markets under the NG Biotech brand*



KEY PRIORITIES AND GROWTH DRIVERS

Continued growth of HIV business revenues and margins:

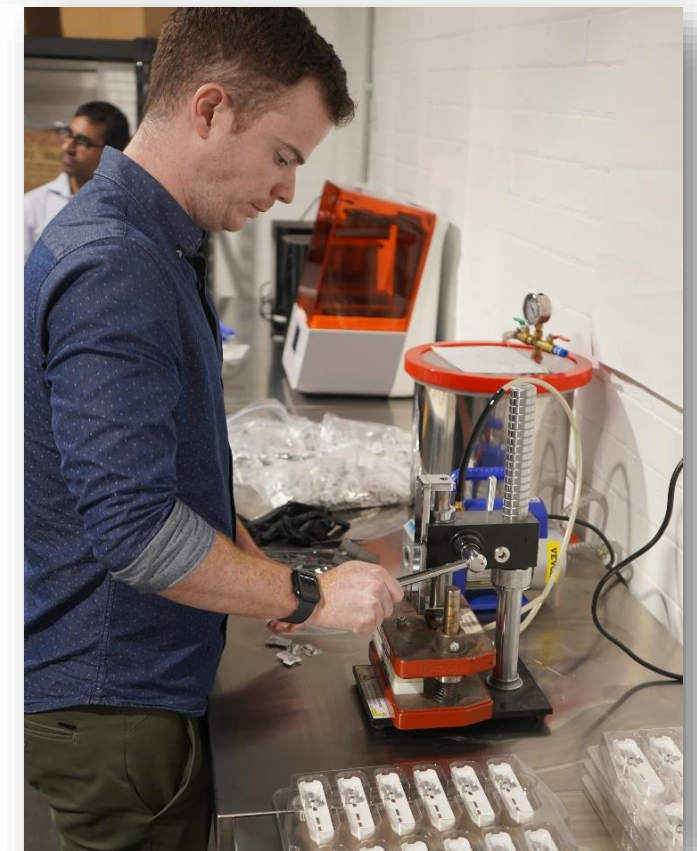
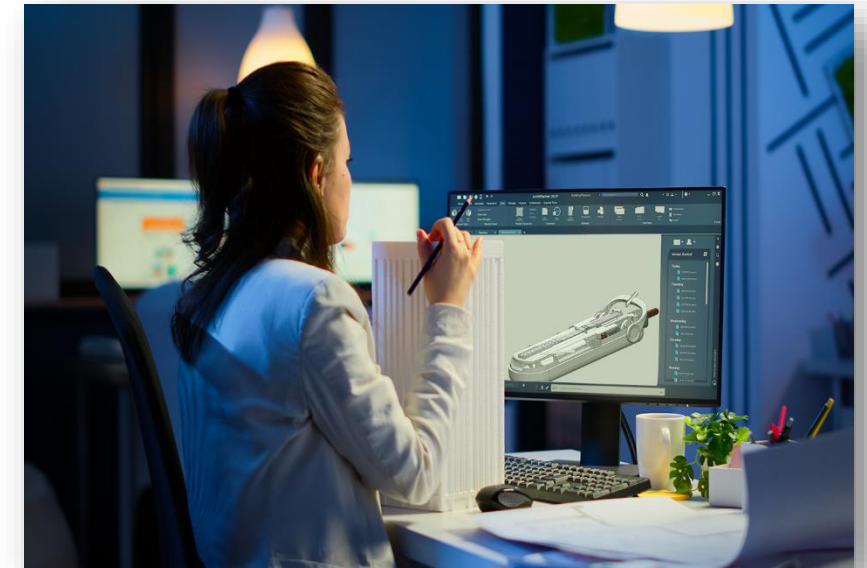
- Extension of the Newfoundland agreement covering Europe for a further 5 years
- Expansion of HIV ST into public health in Australia as policy opens up funded demand

Expansion of OEM Cassette business post COVID:

- Re-emergence of sales to existing customers and expansion of their products into new markets
- Expanding customer base for existing cassettes
- Securing additional funded development agreements for custom cassette solutions

Completion of regulatory approval of Atomo's pregnancy blood test in Australia

Continued reductions in OpEx to minimise burn rate while revenues grow



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