

Atomo Diagnostics Limited
Appendix 4D
Half-year report

1. Company details

Name of entity: Atomo Diagnostics Limited
ABN: 37 142 925 684
Reporting period: For the half-year ended 31 December 2024
Previous period: For the half-year ended 31 December 2023

2. Results for announcement to the market

			AUD
Revenues from ordinary activities	up	7% to	2,052,476
Loss from ordinary activities after tax	down	12% to	(2,758,734)
Loss for the half-year	down	16% to	(2,678,659)
		31 December 2024	31 December 2023
		AUD Cents	AUD Cents
Basic earnings per share		(0.43)	(0.50)
Diluted earnings per share		(0.43)	(0.50)

Dividends

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

Comments

The loss for the group after providing for income tax amounted to AUD2,758,734 (31 December 2023: AUD3,152,282).

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>0.87</u>	<u>1.25</u>

The net tangible assets / (liabilities) per ordinary security is calculated based on 639,202,310 ordinary shares on issue as at 31 December 2024, and 639,202,310 ordinary shares that were on issue as at 31 December 2023.

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 2024 is attached.

9. Signed



Signed _____

Date: 28 February 2025

John Keith
Chair
Sydney

Atomo Diagnostics Limited

ABN 37 142 925 684

Half Year Financial Report - 31 December 2024

Atomo Diagnostics Limited
Corporate directory
For the half-year ended 31 December 2024

Directors	John Keith (Chair & Non-Executive Director) John Kelly (Managing Director) Paul Kasian (Non-Executive Director) Deborah Neff (Non-Executive Director) Cheri Walker (Non- Executive Director)
Company secretary	Mathew Watkins
Registered office	Level 1 3 - 5 George Street Leichhardt NSW 2040 Ph: +61 2 9099 4750
Principal place of business	Level 1 3 - 5 George Street Leichhardt NSW 2040
Share register	Boardroom Pty Limited Level 8 210 George Street Sydney NSW 2000 Ph: 1300 737 060
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.atomodiagnostics.com

Atomo Diagnostics Limited
Directors' report
For the half-year ended 31 December 2024

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 2024.

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
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

The Company Secretary is Mathew Watkins, who was appointed on 9 June 2024.

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

For the half year ended, Atomo recorded revenues of \$2.05m, an increase of 7% over the prior period. Revenue comprised of product sales of \$1.33m for HIV point-of-care tests and \$465k for OEM point-of-care technology & remaining revenue of \$250k relating to development and other revenue fees.

The loss for the group for the half year after providing for income tax amounted to \$2,758,734 (31 December 2023: \$3,152,282).

Cash and cash equivalents at 31 December 2024 amount to \$2.9m compared to \$3.7m as at 30 June 2024.

Ongoing measures continued to be undertaken during the period to reduce operating expenditure for the group. Overall operating expenses reduced ~\$345k in comparison to 31 December 2023 period with significant investment already made in the development and commercialisation of Atomo's novel patent-protected rapid test devices and finished test products. With manufacturing capacity installed and validated, capital expenditure has reduced significantly. The company continues to invest prudently in expanding the test menu is focuses on, primarily in sexual health and supporting key areas of the business to expand market facing activities, such as increased pharmacy retail penetration and the opening up of channels direct to public health procurement.

Business development activities continue to focus on re-establishing and growing our OEM customer base for Pascal, with particular focus on the US market as Lumos Diagnostics commence their process for FDA CLIA Waiver submission on the Atomo Pascal platform, FebriDx Test. FebriDx test is currently FDA 510(k) approved. New focus is being applied to the assessment of opportunities for the novel Florey device recently disclosed that utilises Atomo's existing blood and reagent buffer technology reformatted to be compatible with standard lateral flow rapid tests in market.

Significant changes in the state of affairs

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

Atomo Diagnostics Limited
Directors' report
For the half-year ended 31 December 2024

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2024 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 \$2.9 million of cash at bank and no debt.

- In October 2024, Atomo successfully secured a Cooperative Research Centres Projects (CRC-P) grant with the Commonwealth Government for \$2.44m funding the development of Active Syphilis test on our leading rapid test Pascal platform, with partners, the Burnett Institute and IDE Group. Key activities commencing in December 2024.
- Continued roll-out of HIV self-testing continues globally, with a focus on developed healthcare markets where margins are better. Atomo re-negotiated and signed a supply agreement with key UK distributor partner, Newfoundland Diagnostics, rebalancing the agreement into a long-term commitment, valued over \$5m over the next 5 years. Additionally, continued successful rollout and sales demand in the Australian market, supported by locked in funding of key government programs supporting a national scale up of HIV self-testing and consumer awareness for continuous monitoring and screening.
- Focus on the expansion of Atomo's Point-of-Care (POC) cassette supply business, especially in the US market where the FDA 510(k) clearance of the Pascal FebriDx test obtained by Lumos Diagnostics has provided visibility to the platform. Commencement of the FDA approval Clai Wavier clinicals on the Atomo Pascal device opens a pathway for Atomo product and for new Diagnostics partners seeking improved user-friendly solution for POC and self-test markets.
- Growing the emerging development services business where Atomo is being paid to develop products and custom solutions for partners seeking access to Atomo technology and products.
- The next-generation clip-in blood test device, the **Florey platform**, is currently under development, incorporating Atomo's patented blood collection and buffer delivery system to improve usability and accuracy in standard rapid blood tests, which are often prone to user errors. Designed to accept a standard cassette, Florey enables the test to be completed using the Atomo device, and it could serve as an accessory to already-approved standard tests, making it suitable for adoption by test already approved and commercialized in market.

Business risk

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

The company has identified the following material business risks that may cause its revenue and profitability to decline and are important to key stakeholders such as investors, consumers, customers, supplier, governments and employees.

- **Regulatory risk:** The company sells medical devices and finished products that require regulatory approvals to be maintained (for existing approved products), and to be obtained (for new products) in multiple jurisdictions. This includes obtaining and maintaining product approvals from the TGA in Australia, the FDA in the US, comparable bodies in Asia and South America, the World Health Organisation for LMIC global health markets, and compliance with the IVDD and IVDR regimes in Europe. There are risks associated with these regulatory approvals that may impact on the business should approvals be withdrawn for existing products or not obtained for new products.
- **Product quality and safety:** Should quality or safety issues arise with Atomo's products, there is the potential for negative financial and or reputational impacts. To mitigate this risk Atomo sources materials from quality suppliers, complies with ISO 13485 Medical Devices Quality Management, and delivers 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. We are frequently inspected by independent regulatory authorities auditing compliance with these standards.
- **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.
- **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. Atomo relies on third party

Atomo Diagnostics Limited
Directors' report
For the half-year ended 31 December 2024

manufacturers in certain areas and as such has potential exposure to supply chain disruption risks. The company takes steps to stay closely engaged with its supply chain and ensures sufficient stock on hand to mitigate this risk.

- **Employees and skilled labour:** Atomo's business relies on key qualified personnel. Atomo seeks to ensure our employees are appropriately remunerated and 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 reoccurrence of incidents.
- **Operational risk:** Atomo has international operations, including a manufacturing facility in South Africa and as such is potentially exposed to additional political, legal, economic and regulatory risk specific to those locations.
- **Atomo operates in a competitive industry:** Strategies and initiatives designed to provide diagnostics at competitive prices to ensure it can develop, manufacture and market high-quality generic and branded products, with a particular focus on accessible diagnostics for the global health and Lower and Middle Income markets.
- **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.
- **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.
- **Climate risk:** The board is considering on an ongoing basis the potential response to climate risk and considering potential implementation of a formal review and policy response in future years.

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

Proceedings on behalf of the Group

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

Rounding of Amounts

The group is of a kind referred to in *Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the directors



John Keith
Chair

28 February 2025
Sydney

**DECLARATION OF INDEPENDENCE BY RAJNIL KUMAR TO THE DIRECTORS OF ATOMO
DIAGNOSTICS LIMITED**

As lead auditor for the review of Atomo Diagnostics Limited for the half-year ended 31 December 2024, 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.



Rajnil Kumar
Director

BDO Audit Pty Ltd

Sydney, 28 February 2025

Atomo Diagnostics Limited
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For the half-year ended 31 December 2024

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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 28 February 2025. The directors have the power to amend and reissue the financial statements.

Atomo Diagnostics Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

		Consolidated	
		31	31
	Note	December	December
		2024	2023
		AUD	AUD
Revenue	2	2,052,476	1,923,371
Costs of sales		<u>(1,122,917)</u>	<u>(1,045,184)</u>
Gross profit		929,559	878,187
Other Income	3	542,709	572,253
Employee benefits expense	4	(1,730,818)	(2,333,384)
Foreign exchange gains/(losses)		(6,645)	11,960
Depreciation and amortisation expense	4	(801,439)	(833,929)
Research and development expenses		(281,987)	(108,813)
Insurance		(129,013)	(169,585)
Inventory obsolescence expense		(24,699)	(15,793)
IT expenses		(92,730)	(94,262)
Occupancy expenses		(5,245)	(9,159)
Professional and consulting fee expenses		(426,065)	(343,384)
Regulatory expenses		(350,014)	(273,829)
Travel expenses		(50,874)	(73,621)
Other expenses		(320,225)	(352,972)
Finance costs	4	<u>(11,248)</u>	<u>(5,951)</u>
Loss before income tax expense		(2,758,734)	(3,152,282)
Income tax expense		<u>-</u>	<u>-</u>
Loss after income tax expense for the half-year		(2,758,734)	(3,152,282)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>80,075</u>	<u>(20,640)</u>
Other comprehensive income for the half-year, net of tax		<u>80,075</u>	<u>(20,640)</u>
Total comprehensive income for the half-year		<u><u>(2,678,659)</u></u>	<u><u>(3,172,922)</u></u>
		AUD Cents	AUD Cents
Basic earnings per share	15	(0.43)	(0.50)
Diluted earnings per share	15	(0.43)	(0.50)

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

Atomo Diagnostics Limited
Statement of financial position
As at 31 December 2024

		Consolidated	
		31	
	Note	December	30 June
		2024	2024
		AUD	AUD
Assets			
Current assets			
Cash and cash equivalents	5	2,896,419	3,687,990
Trade and other receivables	6	1,239,004	2,063,259
Inventories	7	1,786,100	1,838,757
Total current assets		5,921,523	7,590,006
Non-current assets			
Property, plant and equipment	8	1,280,344	1,641,519
Right-of-use assets		191,020	75,567
Intangible assets	9	1,856,477	2,071,920
Total non-current assets		3,327,841	3,789,006
Total assets		9,249,364	11,379,012
Liabilities			
Current liabilities			
Trade and other payables		744,005	774,176
Lease liabilities		173,978	84,670
Provisions		278,901	279,191
Deferred revenue		496,836	49,841
Total current liabilities		1,693,720	1,187,878
Non-current liabilities			
Lease liabilities		25,402	-
Provisions		124,282	106,515
Total non-current liabilities		149,684	106,515
Total liabilities		1,843,404	1,294,393
Net assets		7,405,960	10,084,619
Equity			
Issued capital	10	70,086,549	70,086,549
Reserves		168,480	88,405
Accumulated losses		(62,849,069)	(60,090,335)
Total equity		7,405,960	10,084,619

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

Atomo Diagnostics Limited
Statement of changes in equity
For the half-year ended 31 December 2024

Consolidated	Issued Capital AUD	Foreign Currency Translation Reserve AUD	Share Based Payment Reserve AUD	Accumulated Losses AUD	Total equity AUD
Balance at 1 July 2023	68,036,837	(175,408)	478,533	(53,549,751)	14,790,211
Loss after income tax expense for the half-year	-	-	-	(3,152,282)	(3,152,282)
Other comprehensive income for the half-year, net of tax	-	(20,640)	-	-	(20,640)
Total comprehensive income for the half-year	-	(20,640)	-	(3,152,282)	(3,172,922)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	2,049,712	-	-	-	2,049,712
Share-based payments	-	-	37,604	-	37,604
Balance at 31 December 2023	<u>70,086,549</u>	<u>(196,048)</u>	<u>516,137</u>	<u>(56,702,033)</u>	<u>13,704,605</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 2024	70,086,549	(118,322)	206,727	(60,090,335)	10,084,619
Loss after income tax expense for the half-year	-	-	-	(2,758,734)	(2,758,734)
Other comprehensive income for the half-year, net of tax	-	80,075	-	-	80,075
Total comprehensive income for the half-year	-	80,075	-	(2,758,734)	(2,678,659)
Balance at 31 December 2024	<u>70,086,549</u>	<u>(38,247)</u>	<u>206,727</u>	<u>(62,849,069)</u>	<u>7,405,960</u>

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

Atomo Diagnostics Limited
Statement of cash flows
For the half-year ended 31 December 2024

		Consolidated	
		31	31
		December	December
	Note	2024	2023
		AUD	AUD
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,564,757	1,935,585
Payments to suppliers and employees (inclusive of GST)		<u>(4,568,002)</u>	<u>(4,655,750)</u>
		(2,003,245)	(2,720,165)
Interest received		37,536	76,834
R & D and other government incentives received		<u>1,238,759</u>	<u>760,965</u>
Net cash used in operating activities	14	<u>(726,950)</u>	<u>(1,882,366)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		<u>(40,560)</u>	<u>(2,154)</u>
Net cash used in investing activities		<u>(40,560)</u>	<u>(2,154)</u>
Cash flows from financing activities			
Repayment of lease liabilities		(97,111)	(88,434)
Proceeds from issue of shares		-	2,259,206
Payments for transaction costs		<u>-</u>	<u>(209,493)</u>
Net cash (used in)/from financing activities		<u>(97,111)</u>	<u>1,961,279</u>
Net (decrease)/increase in cash and cash equivalents		(864,621)	76,759
Cash and cash equivalents at the beginning of the financial half-year		3,687,990	6,470,318
Effects of exchange rate changes on cash and cash equivalents		<u>73,050</u>	<u>(37,355)</u>
Cash and cash equivalents at the end of the financial half-year	5	<u><u>2,896,419</u></u>	<u><u>6,509,722</u></u>

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

Atomo Diagnostics Limited
Notes to the financial statements
For the half-year ended 31 December 2024

Note 1. Material accounting policy information

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 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Going concern

The half year report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of the assets and the settlement of liabilities in the ordinary course of business.

During the financial period ended 31 December 2024 the group has reported a loss after tax of \$2,758,734 (31 December 2023: \$3,152,282) and cash used in operating activities of \$726,950 (31 December 2023: \$1,882,366). As at the 31 December 2024, the group holds cash and cash equivalents of \$2,896,419 (30 June 2024: \$3,687,990).

As a result of these matters, there is a material uncertainty related to events or conditions that may cast significant doubt on whether the company will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report.

The continuing viability of the group and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon the group being successful with the following factors:

- The ability of the group to raise additional funds from shareholders, new investors and or debt markets. The group has successfully conducted a number of capital raises in the recent years. When taking these into account, there is a reasonable expectation that alternative sources of funding can be sourced, as and when required. Further, the group understands it will require further funding to continue to execute its growth strategy as planned. In its determination on going concern, the Board placed significant reliance upon the representations of its Corporate Advisor with respect to its confidence in its ability to continue raising capital on behalf of the group;
- Increased revenue from opportunities with existing and new customers and sales arrangements as they are realised into sales revenue; and
- Effective monitoring and reduction of the group's overhead expenditures, including the continued realisation of head office cost reductions.

In the event that the group is unable to achieve the matters detailed above, it may not be able to continue as a going concern and therefore the group may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.

No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should the consolidated entity and the company not continue as going concerns.

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.

Atomo Diagnostics Limited
Notes to the financial statements
For the half-year ended 31 December 2024

Note 1. Material accounting policy information (continued)

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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

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.

Grant income

During the period, Atomo was awarded a CRC-P grant to develop Active Syphilis test. The Group receives grant funds to undertake certain activities to develop the Active Syphilis rapid blood test. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Where grant income is received upfront and yet to be expended, the funds received is recognised as deferred revenue. As at 31 December 2024, \$444,432 has been recognised as deferred revenue.

Note 2. Revenue

	Consolidated	Consolidated
	31	31
	December	December
	2024	2023
	AUD	AUD
Point of care tests	1,336,292	1,487,131
Point of care technology	465,322	406,763
Development fees	160,224	-
Other	90,638	29,477
	<u>2,052,476</u>	<u>1,923,371</u>

Note 3. Other Income

	Consolidated	Consolidated
	31	31
	December	December
	2024	2023
	AUD	AUD
R&D tax rebate	455,983	495,419
Grant & other income	49,190	-
Interest income	37,536	76,834
Other Income	<u>542,709</u>	<u>572,253</u>

Atomo Diagnostics Limited
Notes to the financial statements
For the half-year ended 31 December 2024

Note 4. Expenses

	Consolidated	Consolidated
	31	31
	December	December
	2024	2023
	AUD	AUD
Profit / (loss) before income tax from continuing operations includes the following specific expenses:		
Employee benefits expense		
Salaries, wages and directors' fees	(1,522,727)	(2,033,689)
Contributions to defined contribution superannuation funds	(135,708)	(154,183)
Equity-settled share-based payments	-	(37,604)
Other employment related expenses	(72,383)	(107,908)
	<u>(1,730,818)</u>	<u>(2,333,384)</u>
Depreciation and amortisation		
Depreciation expense (Note 8)	(401,735)	(446,955)
Amortisation expense (Note 9)	(308,166)	(308,226)
Right-of-use assets	(91,538)	(78,748)
	<u>(801,439)</u>	<u>(833,929)</u>
Finance Cost		
Interest expense	(6,418)	-
Lease interest expense	(4,830)	(5,951)
	<u>(11,248)</u>	<u>(5,951)</u>

Note 5. Current assets - cash and cash equivalents

	Consolidated	
	31	
	December	30 June
	2024	2024
	AUD	AUD
Cash at bank	<u>2,896,419</u>	<u>3,687,990</u>

Note 6. Current assets - trade and other receivables

	Consolidated	
	31	
	December	30 June
	2024	2024
	AUD	AUD
Trade receivables	597,360	1,248,874
Less: Allowance for expected credit losses	(2,370)	(19,294)
	<u>594,990</u>	<u>1,229,580</u>
Other receivables	280,754	80,020
R&D tax rebate receivable	363,260	753,659
	<u>644,014</u>	<u>833,679</u>
	<u>1,239,004</u>	<u>2,063,259</u>

Atomo Diagnostics Limited
Notes to the financial statements
For the half-year ended 31 December 2024

Note 7. Current assets - inventories

	Consolidated	
	31	30 June
	December	2024
	2024	2024
	AUD	AUD
Raw materials - at cost	1,657,832	1,267,348
Less: Provision for impairment	(44,848)	(83,855)
	<u>1,612,984</u>	<u>1,183,493</u>
Work in progress - at cost	97,989	141,548
Finished goods - at cost	85,169	109,702
Less: Provision for impairment	(20,299)	(21,293)
	<u>64,870</u>	<u>88,409</u>
Stock in transit - at cost	10,257	425,307
	<u>1,786,100</u>	<u>1,838,757</u>

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

	Consolidated	
	31	30 June
	December	2024
	2024	2024
	AUD	AUD
Leasehold improvements - at cost	483,110	471,587
Less: Accumulated depreciation	(199,487)	(175,108)
Total leasehold improvements	<u>283,623</u>	<u>296,479</u>
Plant and equipment - at cost	7,168,431	7,139,394
Less: Accumulated depreciation	(6,171,710)	(5,794,354)
Total plant and equipment	<u>996,721</u>	<u>1,345,040</u>
	<u>1,280,344</u>	<u>1,641,519</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	Plant and equipment	Total
	AUD	AUD	AUD
Balance at 1 July 2024	296,479	1,345,040	1,641,519
Additions	11,523	29,037	40,560
Depreciation expense	(24,379)	(377,356)	(401,735)
Balance at 31 December 2024	<u>283,623</u>	<u>996,721</u>	<u>1,280,344</u>

Atomo Diagnostics Limited
Notes to the financial statements
For the half-year ended 31 December 2024

Note 9. Non-current assets - intangible assets

	Consolidated	
	31	30 June
	December	2024
	2024	2024
	AUD	AUD
Development - at cost	3,373,032	3,280,309
Less: Accumulated amortisation	(1,827,683)	(1,602,356)
Less: Impairment	(798,990)	(798,990)
Total Development - at cost	<u>746,359</u>	<u>878,963</u>
Patents and trademarks - at cost	1,632,443	1,632,443
Less: Accumulated amortisation	(851,086)	(814,900)
Total Patents and trademarks - at cost	<u>781,357</u>	<u>817,543</u>
Other intangible assets - at cost	550,500	550,485
Less: Accumulated amortisation	(221,739)	(175,071)
Total Other intangible assets - at cost	<u>328,761</u>	<u>375,414</u>
	<u><u>1,856,477</u></u>	<u><u>2,071,920</u></u>

Reconciliations

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

	Patents and trademarks	Product development costs	Other intangibles	Total
	AUD	AUD	AUD	AUD
Consolidated				
Balance at 1 July 2024	817,543	878,963	375,414	2,071,920
Additions	-	-	-	-
Capitalised R&D rebate recognised as income	-	92,723	-	92,723
Amortisation expense	(36,186)	(225,327)	(46,653)	(308,166)
Balance at 31 December 2024	<u><u>781,357</u></u>	<u><u>746,359</u></u>	<u><u>328,761</u></u>	<u><u>1,856,477</u></u>

Note 10. Equity - issued capital

	Consolidated			
	31	30 June	31	30 June
	December	2024	December	2024
	2024	2024	2024	2024
	Shares	Shares	AUD	AUD
Ordinary shares - fully paid	<u>639,202,310</u>	<u>639,202,310</u>	<u>70,086,549</u>	<u>70,086,549</u>

Note 11. Commitments

There were no commitments made at the reporting date that were not recognised in the statement of financial position.

Note 12. 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:

Atomo Diagnostics Limited
Notes to the financial statements
For the half-year ended 31 December 2024

Note 12. Related party transactions (continued)

	Consolidated	
	31	31
	December	December
	2024	2023
Short-term employee benefits	560,003	853,614
Post-employment benefits	4,627	44,195
Share-based payments	-	11,350
	<hr/>	<hr/>
Total key management personnel compensation	<u>564,630</u>	<u>909,159</u>

(b) Key management personnel transactions

Directors and other key management personnel hold 11.9% of the issued capital of the company as at 31 December 2024 (30 June 2024: 11.9%).

(c) Transactions with related parties

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

Note 13. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 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 14. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	31	31
	December	December
	2024	2023
	AUD	AUD
Loss after income tax expense for the half-year	(2,758,734)	(3,152,282)
Adjustments for:		
Depreciation and amortisation	801,439	833,929
Share-based payments	-	37,604
Foreign exchange differences	7,025	16,715
Lease interest expense	4,830	5,951
Bad debt (reversal)	(17,320)	(2,784)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	1,102,207	207,302
Decrease in inventories	52,657	326,143
Decrease/(increase) in prepayments	(93,997)	30,514
Increase/(decrease) in trade and other payables	157,466	(169,128)
Increase/(decrease) in employee benefits	17,477	(16,330)
	<hr/>	<hr/>
Net cash used in operating activities	<u>(726,950)</u>	<u>(1,882,366)</u>

Atomo Diagnostics Limited
Notes to the financial statements
For the half-year ended 31 December 2024

Note 15. Earnings per share

	Consolidated	
	31	31
	December	December
	2024	2023
	AUD	AUD
Loss after income tax	<u>(2,758,734)</u>	<u>(3,152,282)</u>
Loss after income tax used in calculating diluted earnings per share	<u><u>(2,758,734)</u></u>	<u><u>(3,152,282)</u></u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>639,202,310</u>	<u>628,840,171</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u><u>639,202,310</u></u>	<u><u>628,840,171</u></u>
	AUD Cents	AUD Cents
Basic earnings per share	(0.43)	(0.50)
Diluted earnings per share	(0.43)	(0.50)

Atomo Diagnostics Limited
Directors' declaration
For the half-year ended 31 December 2024

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 2024 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



John Keith
Chair

28 February 2025
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 2024, 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, material accounting policy information 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 2024 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.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's



ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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 is true and fair 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 2024 and its 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

BDO

A handwritten signature in black ink, appearing to read 'Rajnil Kumar', written over the printed name.

Rajnil Kumar
Director

Sydney, 28 February 2025