



ASX Announcement

29 July 2022

Quarterly Activity Report Q4 FY22

Highlights

- **Cash receipts:** cash receipts from customers for Q4 FY22 of \$1.9m, an increase of 171% on the prior comparable period (Q4 FY21 \$717k). Cash receipts of \$16.3m in total for FY22 representing 105% growth year on year (FY21 \$8m)
- **Revenue:** revenue (unaudited) of \$1.3m for Q4 FY22, an increase of 89% on the prior comparable period (Q4 FY21 \$670k). Revenue (unaudited) of \$14m in total for FY22 representing 108% growth in revenue year on year (FY21 \$6.7m)
- **COVID-19¹ business:** More than 1m units sold in FY22, with demand moderating post Q3 FY22 Omicron wave. Demand picking up late in Q4 FY22 and into Q1 FY23 as new variants lead to increased case numbers
- **HIV business:** In excess of half a million tests sold during FY22. Awareness growing in the Australian market. Global health business building as further countries are added.
- **Commercial activity:** Increased commercial resources in the US & Europe and step-up in market and partner engagement
- Atomo finished the quarter debt-free and with **cash on hand** of \$12.97m

SYDNEY Australia, 29 July 2022 – Atomo Diagnostics Limited (ASX: AT1) (**Atomo**) is pleased to release its Appendix 4C and quarterly activity report for the three-months ended 30 June 2022 (Q4 FY22).

¹ COVID-19 rapid testing detects SARS-COV-2, the virus that causes COVID-19



COVID-19 Rapid Antigen Tests

Sales of Atomo professional-use COVID-19 rapid antigen tests moderated when compared to the demand seen during the height of the Omicron wave in Q3 FY22, but with some momentum returning towards the end of the period based on a resurgence in COVID-19 infections in Australia. The Company continues to make sales of its professional-use tests into several channels. In addition, Atomo has sourced and sold an existing TGA approved third party branded COVID-19 rapid antigen self-test to meet market demand. During the period Atomo provided the TGA with the requested information in relation to its application for self-test approval for an Atomo branded COVID-19 rapid antigen self-test and is awaiting feedback.

HIV Tests

During the quarter, Atomo sold more than 150k HIV tests as further orders were received from our European and LMIC channel partners, and awareness of our HIV self-test product continued to grow in Australia. HIV revenue of \$590k for the quarter represents a significant improvement on Q3 FY22.

Over half a million Atomo manufactured HIV self-tests were sold during FY22 with solid growth now anticipated for the coming FY23 year.

Commercial Activity

During the quarter two senior experienced commercial leads commenced employment with Atomo, with one based in San Diego, USA and the other in the UK. Following on from a significant refresh of the company website in Q3 FY22, Atomo's new senior commercial resources have overseen the development of new marketing collateral to support broader engagement with the diagnostic market, particularly in the US, in advance of the AACC² conference in Chicago in July, where Atomo has a booth and hosted a number of high-level corporate meetings. The company has been encouraged by engagement and interest in its unique product solutions and has witnessed an increase in inbound interest in new product OEM partnerships and home test applications post COVID.

² American Association for Clinical Chemistry



Other commercial activity has included a program to optimise search functionality and enhance search visibility, as well as increased promotion and awareness of HIV products in Australia and OEM services overseas.

A number of detailed meetings have been held in the US and Europe with leading eCommerce healthcare players related to a shortlist of tests suitable to commercialisation in the emerging home test market. The company is encouraged by interest in Atomo home test solutions being proposed and anticipates some material progress being achieved in the coming months with regard to partner engagement and product commercialisation.

New Product Development

Atomo has completed preliminary verification of its integrated swab-based rapid test device, developed to improve the concentration of samples delivered to a rapid test assay and simplify workflow required to carry out swab-based testing. The company recently completed testing of the first batch of prototype devices in the lab and has been able to demonstrate a quantifiable improvement in signal intensity for swab-based tests when using the Atomo device as compared with a range of standard multi-component kit swab tests. The company has taken the product samples and supporting technical information to AACC to support discussions with several companies focused on swab testing applications.

Based on these promising internal results, Atomo is also considering the potential to develop its own swab-based finished rapid test using the Atomo swab test device, with a shortlist of applications being considered, based on recent commercial discussions with key players in the US home testing market.

Financials

Total cash received from customers during the period of \$1.94m including \$1.44m from COVID-19 related receipts and \$466k from HIV sales. FY22 cash receipts from customers of \$16.32m in total, which made a significant contribution to Atomo's funding over the course of the year.



Unaudited revenue for the June quarter of \$1.3m, including HIV sales of ~\$590k and a further \$668k from COVID-19 sales (and \$10k in other revenue). Unaudited revenue for FY22 of \$14m, up 108% on FY21 (\$6.7m), including:

- HIV sales of \$1.8m
- Licence and settlement revenue from Access Bio of \$1.6m
- COVID-19 revenues of \$10.4m
- Other revenue of \$200k

Atomo started FY22 with \$17.95m on hand and, after considerable expansion of its operational footprint and ongoing investment in equipment, R&D and intangible assets, concluded the year with \$12.97m in cash and no debt.

Commenting on the financial position at the end of FY22, Atomo Managing Director John Kelly said “With revenue and cash receipts from customers more than doubling during the year when compared to FY21, we are very pleased to finish the year with close to \$13m in the bank, positioning us well as we move forward with our growth plans for FY23.”

In accordance with ASX Listing Rule 4.7B, Atomo advises that an amount of \$185k was paid during the quarter to Atomo Directors in salary and director’s fees.

Key Priorities

Atomo’s key priorities during FY23 include:

- Completion of product commercialisation planning & negotiations and the implementation of agreements to support new product launch
- Expansion of OEM customer pipeline and customer contracts from expanded market engagement and awareness of Atomo solutions plus increased market focus on usability and home test market
- Continued expansion of the Atomo HIV business including appointing distributors for the Atomo HIV professional use product and further penetration of global self-test markets
- Ensuring ongoing cost-effective supply of COVID-19 rapid antigen products for sale to Atomo’s existing Australian customer base as key market segments continue with testing programs



- Completion of the Atomo swab test device development and seeking to secure commercial interest from customers
- Completion of digital integration functionality to assist and enhance Atomo's product offerings; namely the Atomo App for home use and a clip in reader for Point of Care primary health settings

Appendix A provides a summary of actual expenditure, compared to the estimated use of funds set out in Atomo's IPO prospectus dated 4 March 2020 (**Prospectus**), in accordance with ASX Listing Rule 4.7C. Cash expenditure during the quarter was consistent with the use of funds set out in the Prospectus. Refer to the notes to the summary table in Appendix A for further information in relation to each of the categories of expenditure.

Webinar Invitation – Investors and Analysts

A webinar briefing will be provided on **29 July at 10am (AEST)**.

Participants can pre-register ahead of time via the following link:

https://us02web.zoom.us/webinar/register/WN_T4yDh0ZuTQ6HwBVT6ZmtqA

Once the registration form is completed, investors will receive a confirmation email with details on how to access the briefing. If you would like to ask a question during the briefing, please send your question ahead of the session to: investorqueries@atomodiagnostics.com

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This announcement was authorised by the Board of Directors.



About Atomo

Atomo is an Australian medical device company supplying unique, integrated rapid diagnostic test (RDT) devices to the global diagnostic market. Atomo's patented devices simplify testing procedures and enhance usability for professional users and untrained self-testers. The Company has supply agreements in place for tests targeting infectious diseases including COVID-19, HIV, viral vs bacterial differentiation and female health.

See more at www.atomodiagnosics.com.

Forward looking statements

This announcement may contain forward looking statements which may be identified by words such as "believes", "considers", "could", "estimates", "expects", "intends", "may", and other similar words that involve risks and uncertainties. Such statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Atomo or its Directors and management, and could cause Atomo's actual results and circumstances to differ materially from the results and circumstances expressed or anticipated in these statements. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements



Appendix A

Use of funds	Prospectus	Actual Funds Deployed		Ref
		Actual Accumulated	As a % of Prospectus	
	(A\$'000)	(A\$'000)	%	
Expansion of Manufacturing & Distribution	11,700	5,134	43.9%	1
Research & Development and Product Commercialisation	11,025	5,793	52.5%	2
GHIF Loan Repayment (Including Outstanding Interest)	7,010	7,746	110.5%	3
Administrative Costs	2,446	1,797	73.5%	4
Market Expansion	1,600	1,751	109.4%	5
Interest on Convertible Notes	900	756	84.0%	6
Working Capital & Operating Costs	5,055	2,096	41.5%	7
Costs of the Offer	2,704	1,897	70.2%	8
TOTAL (INCLUDING EXISTING CASH)	42,440	26,971	63.6%	9

Ref	Comment
1	Capacity ramp up to support accelerated growth
2	Includes capitalised R&D related to blister machine design and engineering
3	Forex movements. No further outflows beyond Q4 FY20
4	Includes incremental public company costs
5	Excludes expenses related to new market entry
6	Actual less than estimate due to IPO timing. No further outflows beyond Q4 FY20
7	Net working capital balance after accounting for outflows for operating costs and cash receipts since IPO
8	Excludes cash outflows pre-IPO relating to costs of the offer amounting to \$1.2 million. No further outflows beyond Q4 FY20
9	Total of \$42.44m includes existing cash of \$12.44m on hand as at 31 December 2019 as per Prospectus. Total expenditure includes net working capital movements from 31 December 2019 to IPO of \$1.3m