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atomo

Company Presentation

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ATOMO DIAGNOSTICS LIMITED | (ASX: AT1)

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INTRODUCTION

Atomo Diagnostics Limited (ASX: AT1) is a medical device company supplying unique, integrated rapid diagnostic test (RDT) devices to the global diagnostic market



Headquartered in Australia with global operations, Atomo develops, manufactures and sells innovative patented devices that simplify rapid testing

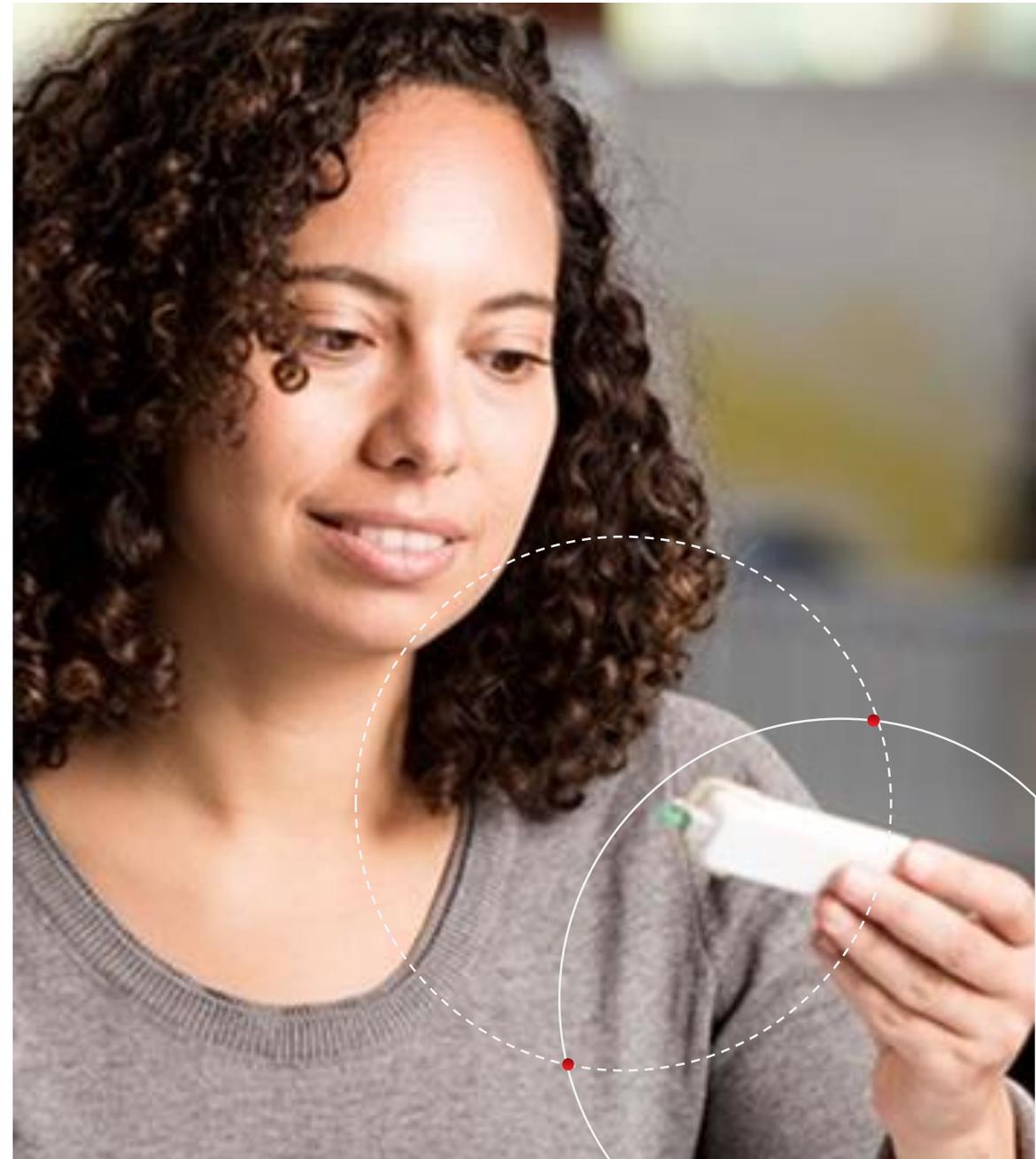


Increasing market traction in the US, Europe and other Global Health markets selling approved Atomo finished tests to healthcare distributors and Atomo devices to diagnostic customers (OEM)



Atomo has delivered a 10x increase in operating revenues of \$5.4m in FY20

Atomo listed on the ASX in April 2020, and has a current market capitalisation of approximately A\$220m



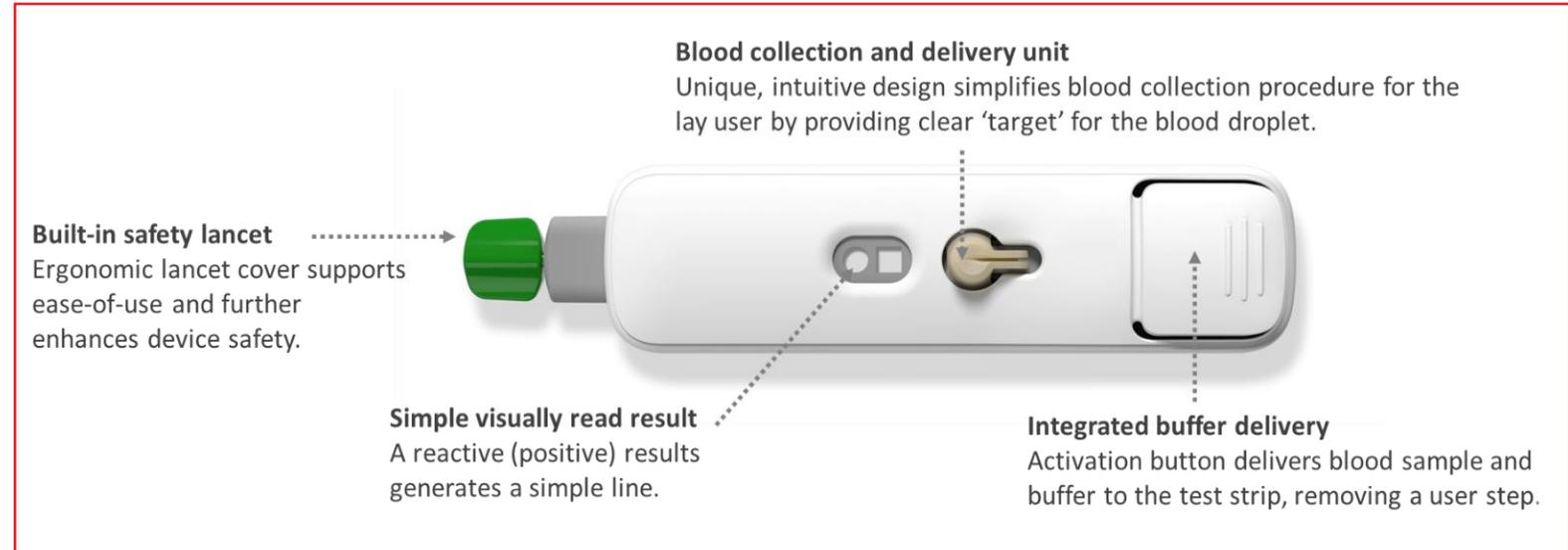
PATENT PROTECTED SOLUTIONS

Traditional 'bits in a box' kits



Standard lateral flow 'bits in a box' test kits typically contain multiple components adding complexity with user errors common and regulatory challenges for self testing

Atomo's fully integrated user-friendly solutions



Atomo has developed a range of unique, integrated devices that deliver blood-based rapid diagnostic testing

The test process can be completed in just three simple user steps, with the result provided after 15 minutes

KEY HIGHLIGHTS – LAST SIX MONTHS

- Partnership agreement signed in March 20 with NG Biotech SAS (France) for COVID-19 antibody RDT devices to be distributed in France. (NG Biotech has ordered 1.75m devices to date)
- Successful IPO in April 20 raising \$30 million
- Company inclusion into ASX All Ordinaries index from June 20
- Partnership agreement signed in August 20 with Access Bio, Inc (USA) for sale of 2m (take or pay) COVID-19 antibody RDT tests in the North American market by September 21
- TGA approval granted for supply in Australia of the AtomoRapid COVID-19 antibody rapid test – August 20
- Production capacity increase from 300,000 to 750,000 total devices per month to meet anticipated demand
- FY20 sales revenue of \$5.4m; ~10x increase from FY19
- FY20 gross profit margin increases 60%; up from 18% for FY19
- Underlying EBITDA loss of \$2.4 million in FY20; down from \$4.1 million in FY19
- Cash of \$27.1 million as of 30 June 20 (no debt)



COVID-19 ACCELERATES DEMAND FOR ATOMO TEST DEVICES

COVID-19

- AtomoRapid test devices are in high demand to help address a significant increase in rapid testing requirements globally
- Access Bio (US) – high margin, take or pay agreement for North America, 2m contracted products to be sold by Q3 CY21. Additional 2m annual extension rollover mechanism¹
- NG Biotech (France) – high margin OEM contract for France and UK, 1.75m devices ordered to date
- Commercial discussions underway for roll-out in Australia following Australian TGA approval
- Continued focus and activity of commercialisation of a COVID-19 antibody self test

COVID-19 Business Performance (FY20)

- **COVID-19 Sales Revenue - \$3.4m**
- **COVID-19 Units Sold – 1.08m**

Drivers of Growth in the COVID-19 business:

- A large and growing market forecast for COVID-19 antibody testing in 2021²
- Essential services, corporates & institutions seeking to safely manage ongoing return to work programs
- Anticipated potential roll out of large scale antibody testing in the vaccine deployment phase of the pandemic
- The need to deploy self testing if high volume community based testing is to be achieved

¹ Subject to Access Bio achieving certain performance criteria

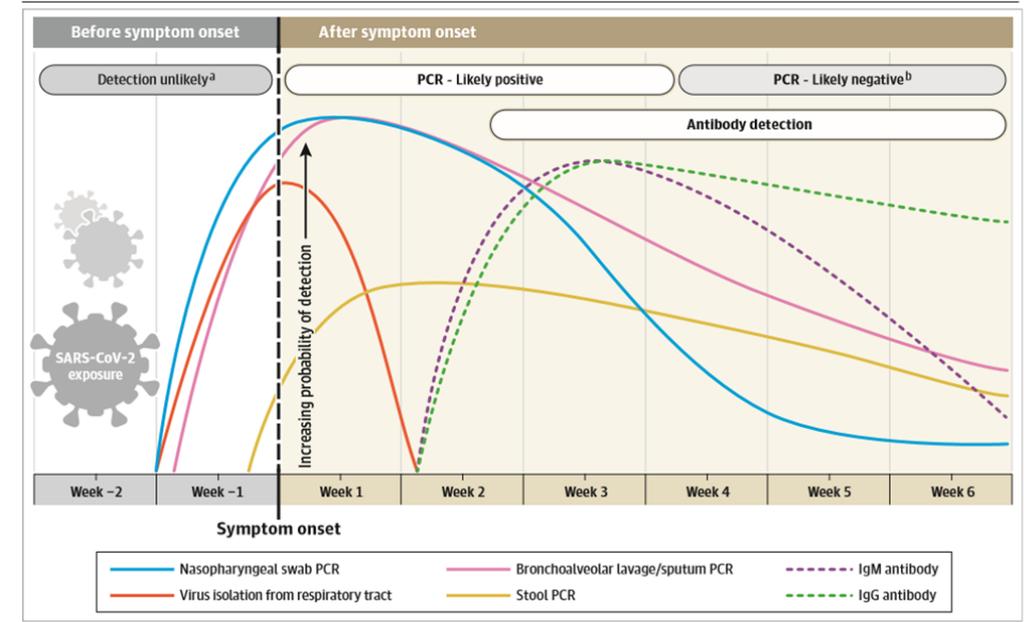
² <https://www.globenewswire.com/news-release/2020/04/30/2024901/0/en/Global-COVID-19-antibody-detection-kits-market-to-reach-5-955-million-by-2021.html>

COVID-19: ANTIBODY TESTING AND USE CASES

With TGA approval received for its professional use test, Atomo is now progressing negotiations with potential applications in several areas:

- Public health authorities – increased testing (including self-testing¹) of populations to understand exposure and transmission and advise public health policy
- Military and institutional public health channels
- Essential services
- Testing people coming out of quarantine to ensure that they are safe to re-enter the community
- Assessing fly-in, fly-out workers at mining sites and other institutional settings as well as remote healthcare deployment
- Corporate wellness and safe work programs
- Aged care and nursing facilities screening
- Future travel, tourism and vaccine delivery segments

Figure. Estimated Variation Over Time in Diagnostic Tests for Detection of SARS-CoV-2 Infection Relative to Symptom Onset



Interpreting Diagnostic Tests for SARS-CoV-2
The Journal of the American Medical Association · May 2020

“Large scale antibody surveillance studies are crucial to helping us understand how the virus has spread”¹

(UK) Health Minister Edward Argar

HIV TEST DEVICES

HIV Self-Test

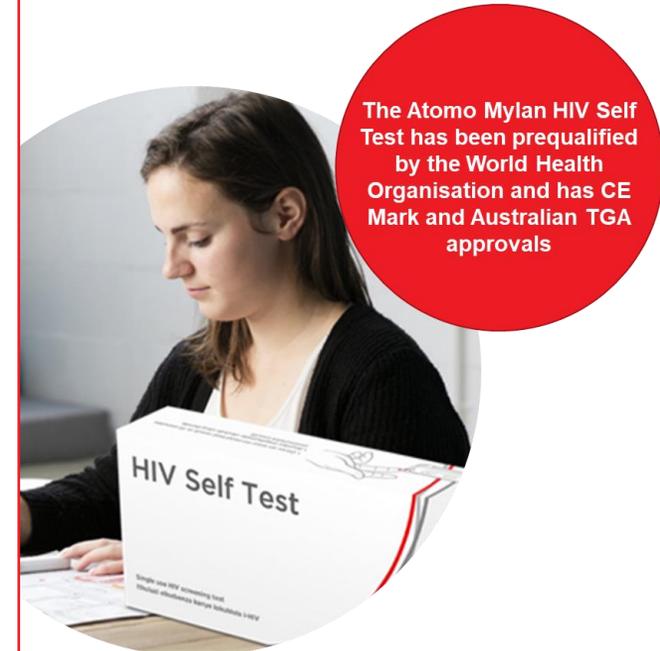
- Atomo's HIV self-test is the only HIV self-test approved in Australia (TGA). Also approved in Europe (CE Mark) and prequalified by the World Health Organisation (WHO)
- Atomo supplies NASDAQ listed Mylan Pharmaceutical with HIV self-tests. Agreement covering more than 100 countries
- Partnership in place with Owen Mumford for Europe. Product launched in UK and Germany in May this year
- Atomo marketing its HIV products directly in Australia via specialist health clinics and on-line channels

HIV Business Performance (FY20)

- **HIV Sales Revenue - \$1.2m**
- **HIV Units Sold - 226k**

Drivers of Growth in the HIV Business:

- Continued rollout in new countries through Atomo's healthcare partners
- Atomo approved to launch its AtomoRapid HIV Professional Use test in Australia
- Access Bio: (US) – OEM Agreement in place for the volume HIV Global Health Professional Use Tender segment



OTHER OEM PRODUCTS

OEM Contracts

- NG Biotech: (France) – supply agreement covering pregnancy testing. Atomo tests are more accurate early-stage than urine tests and more easily deployed in Accident & Emergency settings
- Lumos/RPS: (US) – FebrIDx; screening test to distinguish between viral/bacterial infection in primary health settings - (antimicrobial resistance - AMR)
- Pipeline of clinical applications of interest indicated by our existing OEM customers

OEM Business Performance (FY20)

- **OEM Sales Revenue – \$0.8m**
- **OEM Units Sold – 266k**

Drivers of Growth in the OEM Business:

- Increasing recognition of the simplicity, reduction in error rates, and cost effectiveness of Atomo's integrated rapid test solutions
- Atomo's products ideally placed to capitalise on transition to decentralised healthcare and increased focus on POCT and consumer health
- Additional resources and product capacity post listing to support scale of the OEM business



ANTICIPATED PROGRESS DURING FY21

- ✓ COVID North American deal with US Co. Access Bio
 - ✓ AtomoRapid COVID-19 professional use test TGA Approval (Australia)
 - ✓ Total device capacity increased to 750k per month
 - AtomoRapid COVID-19 professional use test to be launched in Australia
 - AtomoRapid HIV professional use test to be launched in Australia
 - In discussion with Access Bio in relation to an initial order to support COVID-19 launch in the US
 - Scale up of business outside of COVID-19 with existing customers to be progressed
- The Atomo / Access Bio CareStart COVID-19 rapid test to be submitted to FDA of Emergency Use Authorization (EUA) as a Point of Care Test product
 - Total device capacity to be increased to 1.3m per month
 - US business and dedicated resources to be set up
 - Next Atomo Finished Product to be developed
 - The Elion Self Test Device to be launched as an OEM product for the OTC Consumer market
 - Digital eHealth solution to be implemented support OEM and Atomo product expansion

The items above reflect the Company's intentions in FY21 only. They have been provided as a general guide and should not be relied upon as an indication or guarantee of future performance. There is no guarantee that these items will eventuate.

ADDITIONAL APPLICATIONS FOR ATOMO TECHNOLOGY

- Atomo intends to commercialise a number of additional AtomoRapid test products with a focus on the North American and European markets

Existing lateral flow applications compatible with Atomo devices

HIV, COVID-19, Hepatitis A, B & C, Syphilis, Herpes, Malaria, Dengue Fever, Mononucleosis, H Pylori, screening for bacterial infection, pregnancy & LH (ovulation), thyroid function (TSH), Allergy, Coeliac disease, Vitamin D, Liver function, Kidney function, Cancer markers: Prostate - (PSA), AFP & CEA and Cardiac markers - D-dimer (DVT), Troponin I, BNP & CK-MB

Lateral Flow POCT – A large and growing global market ¹



ATOMORAPID RDT PLATFORMS

Galileo



Pascal



Newton



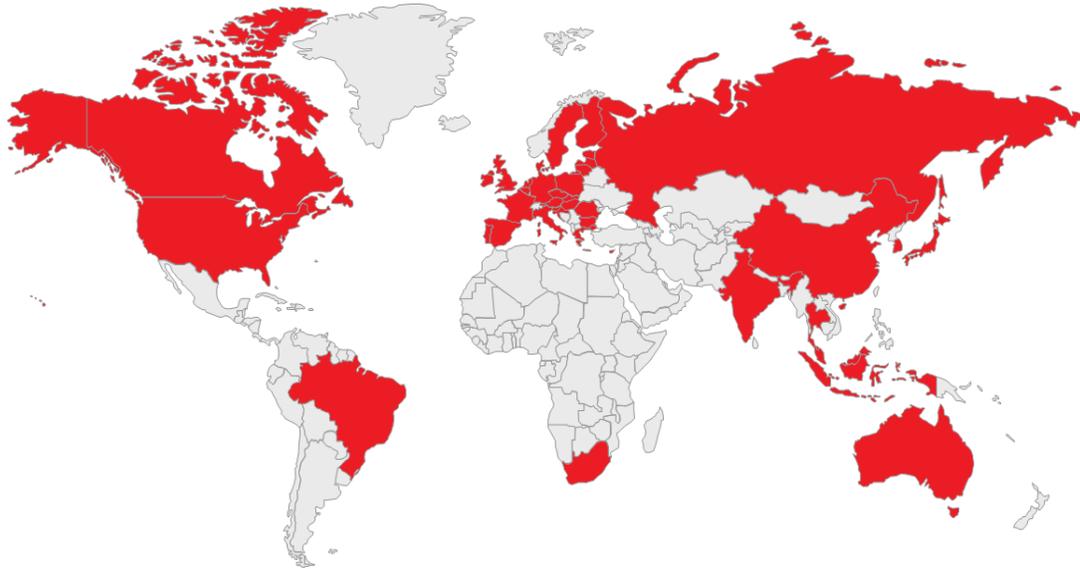
Fleming



Elion



EXTENSIVE PRODUCT AND MANUFACTURING IP & KNOW HOW



Extensive IP Portfolio:
Several patent families granted or pending (territories in red)*



Atomo's proprietary automated blister process operating: USA.

Atomo's wholly owned HIV Self Test Assembly facility in Cape Town, South Africa.

CORPORATE

KEY FINANCIAL DETAILS

ASX code	AT1
Share price (04/09/20)	\$0.38
Shares on issue	561.1m
Options on issue	31.7m
Market cap	\$214m
Current cash (30/6/20)	\$27.1m

*Undiluted

MAJOR SHAREHOLDERS

% (UNDILUTED)

Dalraida Holdings Pty Ltd	13.1%
Global Health Investment Fund I, LLC	11.4%
Walker Group Holdings Pty Ltd	8.32%
Perennial Value	6.35%
Ellerston Capital	5.26%

SHARE PRICE PERFORMANCE



BOARD AND MANAGEMENT

John Keith	Non-Executive Chairman
John Kelly	Co-founder and Managing Director
Connie Carnabuci	Non-Executive Director
Dr Curt LaBelle	Non-Executive Director
Dr Paul Kasian	Non-Executive Director
Will Souter	Chief Financial Officer

UNDERLYING PROFIT & LOSS

AUD	FY20 (\$m)	FY19 (\$m)	Variance (%)
Revenue	5.37	0.54	895%
Costs of Sales	(2.17)	(0.44)	390%
Gross Profit	3.19	0.10	3217%
Gross Margin	60%	18%	
Other Income	0.84	1.33	-36%
Employee benefits expense	(2.97)	(2.10)	41%
Foreign exchange gains / (losses)	(0.56)	(0.38)	46%
Research and development expenses	(0.70)	(1.34)	-48%
Professional fees expense	(0.93)	(0.71)	31%
Other expenses	(1.27)	(0.97)	31%
Underlying EBITDA[^]	(2.38)	(4.08)	-42%

- Gross Margin increased from 18% to 60% as the business continued to scale up and COVID-19 sales delivered higher margins
- Improvement in underlying EBITDA from a loss of \$4.08 million in FY19, to a loss of \$2.38 million in FY20.
- Total R&D spend including amounts capitalised for FY20 was approximately \$2.3m reflecting ongoing investment in product development and improvements in the manufacturing process



- Revenue increased by 895% to \$5.37 million, driven by:
 - the acceleration of registrations and in-country rollout of HIV products by the Group's HIV products distribution partners
 - the growth of Other OEM business in Europe and US
 - significant customer demand for the Group's COVID-19 point of care antibody testing devices.
- Revenue in FY20 is ~10x FY19 and ~19x FY18
- Gross Profit increased from \$0.10 million to \$3.19 million

INVESTMENT HIGHLIGHTS

-  Proven technology - the world's first fully integrated, blood-based rapid test devices
-  Market leader in fully integrated rapid tests with over 2 million devices sold globally
-  Atomo's award winning devices deliver 'best in class' rapid tests for HIV, COVID-19, and a range of other infectious disease, wellness and point-of-care test (POCT) settings
-  Large market - US\$4.57 billion lateral flow test revenues recorded globally in 2019¹ (pre COVID-19 pandemic)
-  Versatile platform can be quickly and easily pivoted for rapid testing across a range of applications (e.g. COVID-19)
-  Scalable production with a cost-effective supply chain capacity currently at 750,000 devices per month. Robust IP and significant proprietary design and process know-how
-  Pipeline of next generation RDT devices and applications to drive growth into the future

atomo diagnostics

SIMPLY BETTER DIAGNOSTICS

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