

ANTEO DELIVERS A QUARTER OF PROGRESSIVE STRATEGY EXECUTION

30th October 2019

HIGHLIGHTS

- **Agreement with Globally Recognised Battery Producer Secured**
- **Business Momentum Continuing under New CEO**
- **Material Growth in Point of Care Sector Collaboration**
- **Axxin Collaboration Opens Up New Product Offerings**

Anteo Diagnostics Limited (ASX: ADO) (“Anteo” or the Company) is pleased to provide this update on activities for the quarter ended 30 September 2019.

Financial and Corporate Update

Cash

At the end of the quarter, Anteo had approximately A\$3.23 million of cash on hand, compared to \$4.25 million at the end of the June quarter. An R&D Tax claim of ~\$950,000 has been prepared and will be lodged this quarter.

Corporate Summary

In early August Derek Thomson commenced with Anteo as Chief Executive Officer. Derek has quickly established solid and constructive working relationships with the senior management and R&D teams at Anteo with a focus on supporting the ongoing development work in the Life Sciences and Energy divisions. Mr. Thomson has a strong financial background and an excellent track record in business development, team leadership, client relationship management, contract negotiation, and he is skilled in forming solid commercial partnerships across a range of sectors.

Mr Thomson has taken a hands-on role by actively participating in discussions and negotiations with key clients and is leveraging his broad business background to maintain the company’s momentum and accelerate value-accretive commercial outcomes.

On 2 October, Anteo announced it had closed the small shareholding sale facility for holders of Unmarketable Parcels of shares in the Company (Facility). The Facility allowed those shareholders to sell their shares cost effectively while also assisting the Company to reduce the costs associated with servicing smaller shareholdings. The Company established the Facility through CPS Capital Ltd and successfully completed the sale of

12,669,911 shares at an average price of \$0.0137 per share. The number of shareholders is now reduced from circa 4,360 to fewer than 2,370 and this will have a positive impact on administration costs through reduced cost for distribution of notices, reports and other communications.

Anteo Technologies Update

1. Energy

Achievements:

- Execution of the third Material Transfer Agreement (referred to as “Collaborator 3”) for a joint development program with a leading globally recognised battery materials and component manufacturer.
- Building of new dedicated battery lab.
- Commissioned a new spray drier to provide consistent composite production.
- Produced 19 new composite configurations.
- Achieved milestone of producing silicon composites in water-based slurries whilst maintaining particle integrity.

In early July 2019, Anteo executed its third Material Transfer Agreement (referred to as “Collaborator 3”) for a joint development program with a leading global battery materials and component manufacturer with a specific focus on further developing Anteo’s silicon composites, the first stage under the agreement include establishing project baselines, followed by the second stage which comprises the joint material development and evaluation as well as activities that aim to tailor silicon composite properties to the needs of this particular partner.

The primary focus in the September quarter was the establishment of project baselines and the development of composites for Collaborator 3 and the development of composites for Collaborator 1. The short-term objective is to produce composites that combine our collaborators’ anode material, silicon and AnteoCoat. The production of these composites will serve as a proof point that our approach to producing silicon-based anodes in combination with AnteoCoat makes a material difference to energy density compared to current anode design.



1. Battery Scientist Kai Hansen commissions the new Spray Dryer

To achieve these results, the Energy team required several new pieces of equipment including a spray dryer which was purchased and commissioned in late September. Part of the Brisbane facilities were converted to a dedicated battery lab with equipment to allow safe handling of dry nano silicon. The facilities are almost complete and will be commissioned in the week beginning 4 November.

During the quarter, 19 silicon composite configurations were produced. The spray drier techniques employed demonstrated a clear difference in processability and anode integration. We were also able to produce silicon composites that can be processed in water-based slurries while maintaining particle shape without heat-treatment. This is a major internal achievement in the use of AnteoCoat paving the way for work packages that look to specifically improve particle and electrode performance.

A delegation including the CEO will visit Japan during the week beginning 4 November to conduct joint development planning sessions with our collaborators and to establish further relationships in the Lithium-ion battery industry.

2. Life Science- Point of Care

Achievements:

- Successful outcomes from our presence at the 2019 AACC Conference.
- Signing of a collaboration agreement with biomedical diagnostic instrumentation company Axxin.
- Increased Life Science support staff to cater for the increasing interest in the Point of Care AnteoBind products.
- Increasing pipeline of customer discussions and commercial interest supporting the strategic direction of AnteoBind in the Life Science market.

On 9 September the Company announced a material growth in Point of Care sector collaborations as a result of presence at the 2019 AACC conference in Anaheim California. Since that announcement our work and discussions with these collaborators has continued and we now have 25 organisations in evaluation and commercial discussion phases of product development.

To facilitate progression of these opportunities, the team is focusing on applying Anteo's capability and know-how (AnteoBind) to:

- Collaborate with top POC/IVD customer concentrators to access their relevant contact base or current customers.
- Develop Anteo's product and services to meet the immediate needs of commercial POC/IVD manufacturers and customers.
- Work towards developing products further up the value chain specifically in the IVD/POC industry.

The Life Sciences team has established advanced technical capability and know-how to support Anteo's commercial activities including:

- Handling and coating nanoparticles (smaller than 500nm, e.g. latex, silica, gold, silver, alloy, europium, cellulose, PAA, quantum-dots, magnetic) to make Ab/protein-conjugates for development of high-sensitive and high-performance commercial POC/IVD assays.
- Improved manufacturing capability and develop capabilities in LFIA: full-strip model assays and sample pad interference removal.

In late September, Anteo signed a new non-binding collaboration with globally respected biomedical diagnostic instrumentation company Axxin (www.axxin.com). Under the collaboration agreement, Axxin will supply their latest Gen 3 readers to Anteo which will then develop a model assay using AnteoBind™ for use on the reader. Collaboration results will then be published and jointly distributed and marketed to the global Point of Care industry.

Axxin has developed technology that enables low-cost, high sensitivity handheld and bench top readers capable of delivering complex test sequences in a wide variety of applications. Their products are used worldwide in research and development and diagnostic applications. Axxin's technology is used for lateral flow and molecular quantitative assays and tests.

The success of the collaboration is expected to open up opportunities for Anteo and Axxin and their respective customers. The collaboration has the potential to offer the PoC industry an end-to-end quantitative lateral flow testing solution utilising Anteo's model lateral flow assays and Axxin's point of care reader.

Anteo is particularly encouraged about this collaboration as it has the potential to be developed into a business model that provides end-to-end facilitation of Point of Care diagnosis including the potential for Anteo-developed assays.

We will ensure that the market is updated regularly on the progress of this and other collaborations in the near future.

Key Objectives for the Quarter ended 31 December 2019

Q4 has started well for Anteo with multiple key objectives identified for Q3 for both the Life Science and Battery Divisions. These include:

- Establish the commercial frameworks for Battery development work with Collaborators 1 and 3.
- Delivery of first composites based on collaborators material for assessment.
- Establishing two new scientific staff members as part of the Battery research team.
- Closing the first Life Sciences commercial contract for sale of particle products enhanced with AnteoBind.
- Continued development of assays for use in Axxin readers.
- Showcasing Anteo Life Sciences capability and AnteoBind capability at the 2019 ALFC Conference in San Diego California in October 2019.
- Expanding the company's marketing activity via web and social media initiatives to better showcase our unique technologies.

The Company looks forward to updating shareholders on progress and thanks shareholders for their continued support.

ABOUT ANTEO GROUP – Anteo Diagnostics Limited (ADO:ASX)

Anteo Group is a surface chemistry company with Intellectual Property (“IP”) in its core technology product groups AnteoCoat™, AnteoBind™ and AnteoRelease™. The Company's purpose is to create shareholder value by identifying and solving important global industry problems by providing unique value-add solutions for its customers. Anteo's customers operate in the life sciences, diagnostics, energy and medical devices markets.

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