

**AnteoTech Ltd and its
Controlled Entities**

ABN 75 070 028 625

**Appendix 4D and
Interim Financial Report**

Half Year Ended
31 December 2020

Appendix 4D

Half-Year Report

For the half-year ended 31 December 2020
 ABN 75 070 028 625

This half-year report is provided by **AnteoTech Ltd (ASX: ADO)** (“AnteoTech” or “the Company”) to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A.3. This information should be read in conjunction with the half-year report for the period to 31 December 2020.

Current reporting period: Half-year ended 31 December 2020

Previous corresponding period: Half-year ended 31 December 2019

Results for Announcement to the Market

		Percentage Change		Amount
		%		'000
Sales revenue from ordinary activities	Up	603%	to	546
Other income from ordinary activities	Up	34%	to	1,304
Total sales revenue and other income from ordinary activities	Up	74%	to	1,850
Loss from ordinary activities after tax attributable to members	Up	32%	to	(1,467)
Net loss for the period attributable to members	Up	32%	to	(1,467)

The consolidated net loss after tax for the half-year ending 31 December 2020 was \$1,466,886 compared with a loss of \$1,107,074 in the same period last year. The increase in losses for the half year are primarily due to a significant increase in total expenses (\$3,316,688 compared to \$2,167,485 for corresponding 2019 period) mostly offset by an increase in total revenue and other income (\$1,849,802 compared to \$1,060,411 for corresponding 2019 period).

Higher total revenue and other income was due to:

- higher R&D grant (\$1,195,635 v \$966,562);
- ATO cashflow boost of \$100,000 (2019: nil); and
- significantly higher sales of \$545,583 (2019: \$90,410).

The key increases in expenses were:

- higher (by \$195,235) selling/distribution expenses and higher (by \$465,553) research expenses, both associated with pursuing the business activities with the Life Sciences business relating to the Company’s development and commercialisation of its COVID-19 Antigen Rapid Test (ART)¹ (refer the Review of Operations); and

Appendix 4D (continued):

- higher (by \$591,921) accounting (non-cash) expenses for share based payments relating to staff and director options issued during the period, plus charges relating to options issued in previous periods (and charged over the life of the options).

As at 31 December 2020, the Company held cash of \$6,434,137 (30 June 2020: \$3,214,537). The increase was largely due to cash received from the exercise of options during the period, raising a total of \$3,958,975 (less costs).

Dividends/distributions

	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil

It is not currently proposed to pay dividends.

Net Tangible Assets

	2020 cents	2019 cents
Net tangible asset backing per ordinary share	0.03	0.02

Controlled entities acquired or disposed of

No changes.

Review and Emphasis of Matter

The financial report has been independently reviewed by BDO Audit Pty Ltd, who have issued an unqualified review opinion. The Independent Auditor's Review Report contains an Emphasis of Matter related to the disclosures made in the financial report relating to Going Concern.

By Order of the Board
D P Cornish
CFO and Company Secretary

Review of Operations & Activities

Half-year ended: 31 December 2020

Financial Review

The consolidated net loss after tax for the half-year ending 31 December 2020 was \$1,466,886 compared with a loss of \$1,107,074 in the same period last year. The increase in losses for the half year are primarily due to a significant increase in total expenses (\$3,316,687 compared to \$2,167,485 for corresponding 2019 period) mostly offset by an increase in total revenue and other income (\$1,849,802 compared to \$1,060,411 for corresponding 2019 period).

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- higher (by \$195,234) selling/distribution expenses and higher (by \$465,553) research expenses, both associated with pursuing the business activities with the Life Sciences business relating to the Company's development and commercialisation of its COVID-19 Antigen Rapid Test (ART)¹ (refer the Review of Operations); and
- higher (by \$591,921) accounting (non-cash) expenses for share based payments relating to staff and director options issued during the period, plus charges relating to options issued in previous periods (and charged over the life of the options).

As at 31 December 2020, the Company held cash and deposits of \$6,434,137 (30 June 2020: \$3,214,537). The increase was largely due to cash received from the exercise of options during the period, raising a total of \$3,958,975 (less costs).

Life Sciences

Highlights

- COVID-19 Antigen Rapid Test¹ (ART) on track for launch end Q1 2021
- Technology transfer and test production ready for scale up in Spain
- ISO 13485 certification achieved
- AnteoBind raw material business increases in sales

¹ The AnteoTech Antigen Rapid Test detects the SARS-CoV-2 active virus that causes the disease called COVID-19.

A blue molecular structure diagram consisting of several interconnected hexagonal rings, resembling a portion of a carbon-based molecule, is located in the top left corner of the page.

Life Science Business Strategy

The Life Science business strategy is to focus on the application and adoption of AnteoTech IP (AnteoBind™) in the Point of Care (PoC) diagnostic global markets through:

- Supply of AnteoBind and AnteoBind enhanced products to PoC developers and manufacturers.
- Supply of Contract Services to support PoC developers, particularly in complex and high sensitivity applications.
- Develop, manufacture and supply assays to the PoC market with a particular focus on complex, high sensitivity PoC applications.

COVID-19 Antigen Rapid Test Development

Significant progress was achieved in the Half Year on the development and commercialisation of the COVID-19 ART. Key milestones include:

- Independent validation study of the COVID-19 ART, conducted by the Spanish lateral flow developer and manufacturer Operon. The study used positive and negative samples, stored in Viral Transport Media (VTM), that were obtained in Spain. The samples were tested using RT-PCR methods prior to testing using AnteoTech's COVID-19 ART, enabling a direct head-to-head comparison. For further explanation of the study, please refer to the ASX Announcement dated 21 October 2020.
- Declaration of a "design freeze" [ASX November 2020], together with the completion of the technical work, critical contracts for the procurement of antibodies and Europium particles.
- Manufacturing Agreements & Technology Transfer with manufacturing partner in Spain, Operon, [ASX November 2020], enabling the scaled manufacturing of the COVID-19 test.
- Delivery the first generation "Alpha Reader", a version of the Axxin AX-2X-S platform configured specifically for AnteoTech's requirements.

ISO 13485 certification

AnteoTech achieved ISO-13485 certification (certification number MD 723665) allowing the Company to participate in the Point of Care (PoC) market as a legal manufacturer of medical devices. [ASX September 2020]. In achieving ISO-13485 certification, AnteoTech's progression along the PoC value chain to assay developer is complete.

Raw Material Business Update and Growth

The Raw Materials business showed significant growth in the Half Year compared to the same period last year. Raw material sales revenue for the Half Year of \$535,950 compared to \$88,574 (605% increase) in the corresponding period to end December 2019.

A blue molecular structure diagram consisting of several interconnected hexagonal rings, resembling a portion of a carbon lattice or a similar crystalline structure.

Energy

Highlights

- Development activity in conjunction with a number of collaborators to test the effect of AnteoTech's Cross Linker Additive (CLA) with a number of different binder products and silicon based active materials.
- Continued development of silicon composite yielding improved coulombic efficiency, porosity and energy capacity. The work is enhancing our knowledge of the interaction between materials within the composite, strengthening our design and improving anode performance.
- Increased focus on development of testing processes incorporating full cell batteries as opposed to half cell to better align anode development to commercial and industrial settings.

Energy Business Strategy

The three key areas of focus in the strategy are:

- To become a materials supplier facilitating the enhancement of the anode (negative electrode) in lithium ion batteries, via the increased use of silicon, by leveraging AnteoTech's IP.
- Commercialisation focus on developing CLA (AnteoX™), the enhancement of silicon active materials and the development of a high silicon content anode system combining synergies between various AnteoTech products and technologies.
- Attracting international collaborations with a view to gaining external verification and feedback to support the internal development of products (CLA, silicon active material and anode systems), leading to early adoption of AnteoTech IP.

Cross-linker additive testing

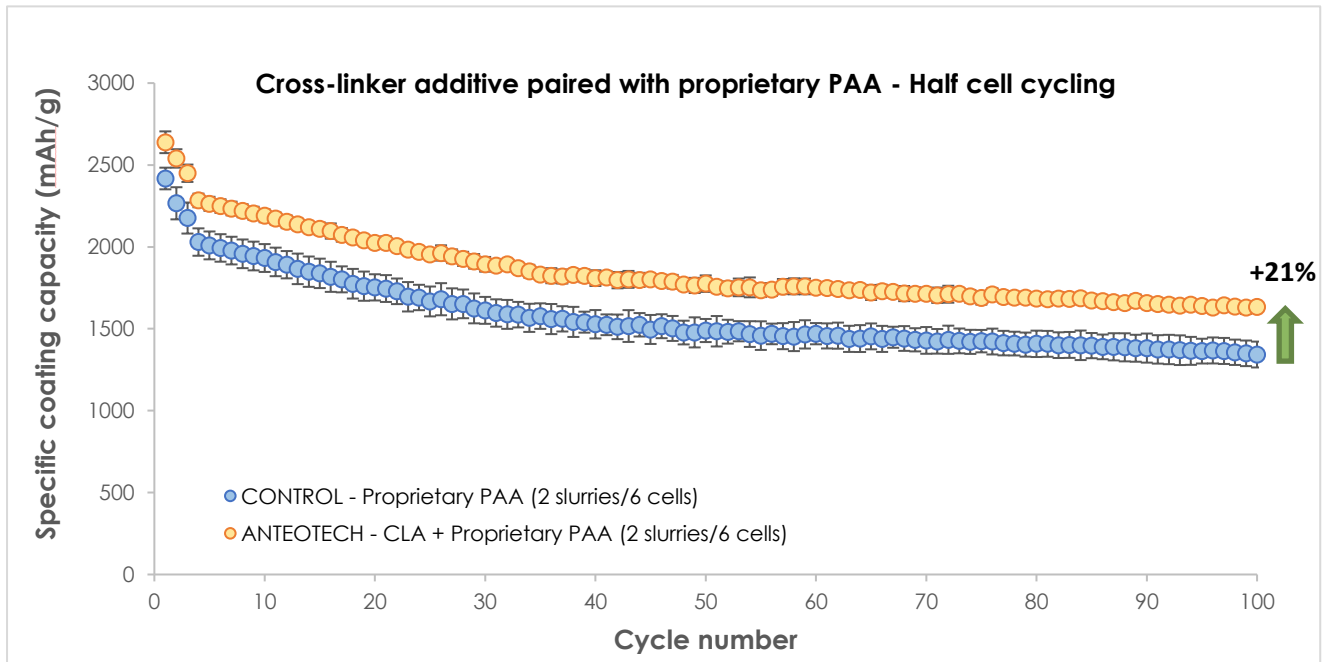
The CLA product development continues to accelerate and is on track to deliver a near term market opportunity, subject to the feedback and outcome of testing performed by our collaboration

A 2nd generation of CLA was made available for testing by existing partners. This 2nd generation CLA demonstrates significantly delayed reactivity leading to more homogeneous cross-linking and heat-activation properties while retaining the capability to form very strong network structures. The improved properties also mean that a much higher quantity can now be incorporated into the slurry and anode fabrication process without adversely affecting processability.

CLA samples have been shipped to three collaborators, all of which are actively evaluating the pairing of AnteoTech's CLA with their high silicon content anode benchmarks.

Significant results were reported during the Half Year, following the pairing of Collaborator 8 proprietary binder system with AnteoTech's CLA, showing up to 9% higher starting capacity and an up to 21% higher capacity at cycle 100 for a 70% micro-silicon containing anode. As a result, Collaborator 8 committed to testing AnteoTech's 2nd generation CLA and a sample was shipped to the partner's facility in late 2020.

Binder paired with CLA demonstrates up to 21% higher capacity over 100 charge/discharge cycles



Ongoing internal development

AnteoTech's CLA compounds can be paired with several chemically different active materials and binders, which demonstrates their versatility and applicability across a broad footprint of the anode binder and active material market.

The Energy team is continuously focused on expanding AnteoTech's testing regimes to create data sets that highlight the performance of CLA with various silicon active materials and binder types to increase traction with current and potential future collaborators.

Silicon composite development (2nd generation)

Following successful completion of the work packages in relation to AnteoTech's 1st generation composite, technical development is now focused on improvements required in relation to long-term cycling stability for the 2nd generation composite.

Internal full cell testing capabilities were established and refined over the period, forming part of the routine testing procedures in AnteoTech's development work. Aspects of the composite material are continuously being enhanced, and the program is on track to deliver a 2nd generation composite with improved cycling attributes to Collaborators by Q2CY21.



Events since the end of the Half Year

Queensland Government Grant Awarded

January: AnteoTech was awarded up to \$1.4 million grant towards the development and commercialisation of our COVID-19 Antigen Rapid Test (ART), under the Queensland Government's Essential Goods and Supply Chain Program (EGSCP). The first claim for drawdown of funds against the has been submitted.

Prospective Clinical Trial

January: AnteoTech and contract research organisation Novotech finalised arrangements to conduct a Prospective Clinical Trial through Novotech's Indian laboratories. Novotech will provide project management, clinical trial monitoring, and patient recruitment, for the trial which will be performed in Q2. The results of the trial will support submission for TGA registrations.

There were no other significant events subsequent to the reporting date.

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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CORPORATE DIRECTORY

Directors

Dr John (Jack) Hamilton	Non-Executive Chairman/Director
Dr Geoffrey Cumming	Non-Executive Director
Mr Matthew Sanderson	Non-Executive Director
Mr Christopher Parker	Non-Executive Director

Chief Executive Officer

Mr Derek Thomson

Company Secretary

Mr Duncan Cornish

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Level 23, 240 Queen Street Brisbane QLD 4000 Australia

Auditors

BDO Audit Pty Ltd
Level 10, 12 Creek Street, Brisbane QLD 4000

Share registry

Boardroom Pty Limited
Level 12, 225 George Street Sydney NSW 2000

Bankers

Australia and New Zealand Banking Group Limited
16 Kerry Road, Archerfield QLD 4108

CHAIRMAN'S LETTER
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Dear Shareholders,

This time last year, we were not aware of what a significant 12 months lay ahead of us, let alone what opportunity the year would present. The last six months have laid the foundations for what will likely be the most transformative period in the AnteoTech Life Science division's history. In early 2020 we took a considered decision to accelerate our strategy to become an Assay Developer for Point of Care diagnostics. First, we developed the proof of concept for a Sepsis test in May followed by a COVID-19² test in July which brings us to today, where we find ourselves on the verge of entering the POC diagnostic market with the launch of our first COVID test by the end of the Q1 2021³. This launch will complement and build on the success achieved by our customer Ellume with their COVID home test incorporating AnteoBind.

The focus on delivery by the Life Science team over this period is outstanding. In a short space of time, our small team lead by Dr Charlie Huang has re-aligned the business objectives and developed a commercially viable and clinically relevant test, all while developing the framework and processes of an Assay Development business. In parallel significant work and effort was invested in securing ISO13485 accreditation to become a legal manufacturer of medical devices. The COVID-19 test will be the first test in what is planned to be a suite of tests developed around our proprietary Europium AnteoBind assay technology. Following the receipt of a Qld Government Grant in January, plans are already underway to expand the team and finalise development work on the COVID-19 Saliva tests in Q2-Q3 and Flu A/B Multiplex tests in Q3-Q4, as well as progress our Sepsis test towards verification and subsequent clinical trials.

The demand for COVID-19 testing is estimated to be over 5 million tests a day, with predictions that this will increase as lateral flow diagnostics become more widespread. It is not expected that incumbent providers will meet this demand, creating opportunities for companies such as AnteoTech to fill this gap. Even with the introduction of vaccines in recent months, analyst and our internal predictions are that demand for testing will remain strong in 2022 and beyond, as COVID-19 becomes part of our lives for years to come.⁴

Our development work on enhancing the anode for use in next-generation Li-ion batteries has also seen substantial progress and promising results over the past six months. Our collaboration network now numbers 9 partners across various industry sectors, including anode componentry, silicon active materials and batteries for portable electronics. The latest Avicenne Energy⁵ market study predicts the silicon materials market will grow by 34% CAGR by 2030, giving strong tailwinds underpinning our development focus.

With the support of a select group of collaborators, the Energy Team has focused on the evaluation of AnteoTech's cross-linker additive AnteoX combined with a partner's proprietary binder. Initial internal testing has yielded positive results, showing a 21% higher electrochemical performance and improved coating cohesion, resulting in higher specific capacity of the anode over more than 100 cycles. We anticipate that over the coming six months, the work with these collaborators will lead to commercial discussions.

² The AnteoTech Antigen Rapid Test detects the SARS-CoV-2 active virus that causes the disease called COVID-19.

³ Pending regulatory approvals.

⁴ FinnCap Health Matters December 2020 COVID 19 Diagnostics-Life Sciences Quarterly

⁵ Avicenne Energy Report 2020

CHAIRMAN'S LETTER
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

It has been a pleasure to watch the development of the AnteoTech team over the past six months. Along with our CEO Derek Thomson, I greatly look forward to updating our shareholders on the results of our work in the coming weeks and months in what is an exciting time for AnteoTech.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'John (Jack) Hamilton', written in a cursive style.

John (Jack) Hamilton
Chairman
26 February 2021

DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

The Directors of AnteoTech Ltd ("**Anteo**" or the "**Company**") submit herewith the interim financial report for the half-year ended 31 December 2020. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

The following persons were Directors of the Company during or since the end of the half-year ended 31 December 2020:

- Dr John (Jack) Hamilton
- Dr Geoffrey Cumming
- Mr Matt Sanderson
- Mr Christopher Parker

REVIEW OF OPERATIONS

Information on the financials and operations of the group and its business strategies and prospects is set out in the review of operations and activities on page 3 to 7.

DIVIDENDS


The Directors have not declared a dividend to be paid during the period.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration (as required under Section 307C of the Corporations Act 2001) is shown on page 20 and forms part of this report.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the Corporations Act 2001.

On behalf of the Directors



John (Jack) Hamilton
Chairman
26 February 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE HALF YEAR ENDED 31 DECEMBER 2020

		31 December 2020	31 December 2019
	Note	\$	\$
Sales revenue		545,583	90,410
Other income	2	1,304,219	970,001
Total revenue and other income		<u>1,849,802</u>	<u>1,060,411</u>
Selling, distribution and business development expenses		333,036	137,801
Occupancy expenses		53,811	21,278
Administration expenses		291,154	435,714
Borrowing costs		2,067	6,595
Research and development expenses		1,787,078	1,321,525
Amortisation and depreciation	2	207,917	194,868
Share based payments expense		<u>641,625</u>	<u>49,704</u>
(Loss) before income tax		(1,466,886)	(1,107,074)
Income tax expense		<u>-</u>	<u>-</u>
(Loss) for the half year		(1,466,886)	(1,107,074)
Other comprehensive income		-	-
Total comprehensive income (loss)		<u>(1,466,886)</u>	<u>(1,107,074)</u>
Earnings per share			
Basic and diluted earnings per share (cents per share)		(0.09)	(0.07)

The financial statements should be read in conjunction with the accompanying notes.

ANTEOTECH LTD AND ITS CONTROLLED ENTITIES
ABN 75 070 028 625

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT HALF YEAR ENDED 31 DECEMBER 2020

	Note	31 December 2020 \$	30 June 2020 \$
CURRENT ASSETS			
Cash and cash equivalents		6,434,137	3,214,537
Trade and other receivables		83,877	72,727
Other		-	91,027
TOTAL CURRENT ASSETS		6,518,014	3,378,291
NON-CURRENT ASSETS			
Property, plant and equipment		451,895	392,207
Rights of use asset		19,766	138,363
TOTAL NON-CURRENT ASSETS		471,661	530,570
TOTAL ASSETS		6,989,675	3,908,861
CURRENT LIABILITIES			
Trade and other payables		397,894	180,979
Provisions		381,589	307,219
Lease liabilities		7,782	134,868
Other		6,374	-
TOTAL CURRENT LIABILITIES		793,639	623,066
NON-CURRENT LIABILITIES			
Provisions		29,120	76,561
TOTAL NON-CURRENT LIABILITIES		29,120	76,561
TOTAL LIABILITIES		822,759	699,627
NET ASSETS		6,166,916	3,209,234
EQUITY			
Contributed equity	4	68,136,800	64,291,701
Share option reserve	4	926,432	346,963
Accumulated losses		(62,896,316)	(61,429,430)
TOTAL EQUITY		6,166,916	3,209,234

The financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Ordinary Shares	Share Option Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2019	62,421,151	170,272	(58,356,292)	4,235,131
Losses attributable to members of the parent entity in capacity as owners	-	-	(1,107,074)	(1,107,074)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(1,107,074)	(1,107,074)
Transactions with owners in their capacity as owners:				
Share capital issued during the period	36,400	-	-	36,400
Options expensed for the period	-	(53,425)	53,425	-
Options lapsed for the period	-	13,304	-	13,304
Balance at 31 December 2019	62,457,551	130,151	(59,409,941)	3,177,761
Balance at 1 July 2020	64,291,701	346,963	(61,429,430)	3,209,234
Losses attributable to members of the parent entity in capacity as owners	-	-	(1,466,886)	(1,466,886)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(1,466,886)	(1,466,886)
Transactions with owners in their capacity as owners:				
Options exercised during the period	3,958,975	-	-	3,958,975
Share bonus issue	62,156	-	-	62,156
Options expensed for the period	-	579,469	-	579,469
Capital raising costs	(176,032)	-	-	(176,032)
Balance at 31 December 2020	68,136,800	926,432	(62,896,316)	6,166,916

The financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 December 2020	31 December 2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	562,717	70,721
Receipts from government grants and rebates	1,195,635	-
Receipts from ATO cashflow boost	100,000	-
Payments to suppliers and employees	(2,158,493)	(1,867,268)
Borrowing costs	(2,067)	(6,595)
Interest received	1,045	3,439
Other	7,539	-
Net cash (used in) operating activities	<u>(293,624)</u>	<u>(1,799,703)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for property, plant and equipment	(149,007)	(246,681)
Net cash (used in) investing activities	<u>(149,007)</u>	<u>(246,681)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from option exercises	3,965,349	-
Capital raising costs	(176,032)	-
Repayment of lease liability	(127,086)	(118,191)
Net cash (used in) provided by financing activities	<u>3,662,231</u>	<u>(118,191)</u>
Net increase (decrease) increase in cash held	3,219,600	(2,164,575)
Opening cash brought forward (including cash in assets and disposal group classified as held for sale)	3,214,537	4,276,118
Closing cash carried forward	<u><u>6,434,137</u></u>	<u><u>2,111,543</u></u>

The financial statements should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

1. Summary of accounting policies

Bases of Preparation

These consolidated interim financial statements as at and for the six months ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the 'Group'). They have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

AnteoTech Ltd (ASX:ADO) is a ASX listed public company, incorporated and domiciled in Australia.

These half year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the group as the full financial statements. Accordingly, these half year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2020 and any public announcements made by AnteoTech Ltd during the half year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have generally been followed in these half year financial statements as compared with the most recent annual financial statements, except for the adoption of new standards effective as of 1 July 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The preparation of the interim financial report required management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported assets and liabilities, income and expenses. The significant judgements made by management in applying Group accounting policies were same as those applied to the annual financial report for the year ended 30 June 2020.

Judgements and estimates which are material to the interim financial report relate to:

Share based payments

The Group uses estimates to determine the fair value of equity instruments issued to Directors, executives and employees. The estimates include volatility, risk free rates and consideration of satisfaction of performance criteria for recipients of equity instruments.

Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

For the half-year ended 31 December 2020 the Group generated total revenue and other income of \$1,849,802 (including \$1,195,635 of ATO R&D rebate), a consolidated loss of \$1,466,886 and incurred operating cash outflows of \$293,624. As at 31 December 2020 the Group has cash and cash equivalents of \$6,434,137, net assets of \$6,166,916 and no debt.

As the Group is currently loss making, the Group's ability to continue to adopt the going concern assumption will depend upon a number of matters including successful capital raisings in the future of necessary funding and the successful sales and/or commercialisation of the Group's intellectual property and projects.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

1. Summary of accounting policies (continued)

Going concern (continued)

The directors have concluded as a result of the requirement to raise funds in the future there exists a material uncertainty that may cast significant doubt regarding the Group's ability to continue as a going concern and therefore, the Group may be unable to realise their assets and discharge their liabilities in the normal course of business.

Nevertheless, after taking into account the current financial position of the Group, the Group's ability to raise further capital (evidenced by the successful June 2019 capital raising of \$3,651,465 before costs, and the underwritten \$0.02 option exercises raising a further \$3,903,394 during the half year ended 31 December 2020) and the progress made on exploiting its intellectual property, the Directors have a reasonable expectation that the Group will have adequate resources to fund its future operational requirements and for these reasons they continue to adopt the going concern basis in preparing the financial report.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

2. Results for the Half-year

**31 December
2020**
\$

**31 December
2019**
\$

The loss before income tax expense has been determined after:

Amortisation and depreciation of non-current assets:

Amortisation of right to use asset (leased premises)	(118,597)	(118,597)
Depreciation of leasehold asset (office fitout)	(26,939)	(26,939)
Depreciation of plant and equipment	(62,381)	(49,332)
Total depreciation of non-current assets	<u>(207,917)</u>	<u>(194,868)</u>

Staff remuneration

Salaries and fees	(1,095,545)	(1,021,986)
Superannuation	(86,268)	(66,341)
Share based payments	(641,625)	(49,704)
	<u>(1,823,438)</u>	<u>(1,138,031)</u>

Other income

R&D tax concession rebate and grants	1,195,635	966,562
ATO cashflow boost	100,000	-
Interest	1,045	3,439
Other	7,539	-
	<u>1,304,219</u>	<u>970,001</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

3. Segment reporting

The Group has determined that it has only one operating segment. The operating segment identified is based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. Management currently identifies the group as having only one operating segment, being the development of the Anteo IP. All significant operating decisions are based upon analysis of the Group as one segment. The financial results from the segment are equivalent to the financial statements of the group as a whole.

4. Contributed equity and reserves

	Number	\$
4 (a) Contributed equity ordinary shares		
At 1 July 2020	1,644,090,831	64,291,701
CEO share bonus issue	1,381,254	62,156
Unlisted options exercised	27,528,870	2,753
Listed options exercised	196,930,620	3,956,222
Costs associated with share issues	-	(176,032)
At 31 December 2020	1,869,931,575	68,136,800

4 (b) Share options (unlisted)

At 1 July 2020	34,184,100	346,963
Issue of options*	21,183,000	579,469
Lapsed options	(6,655,230)	-
Exercised options	(27,528,870)	-
At 31 December 2020	21,183,000	926,432

*Allocation of value of options issued during the half-year ended 31-Dec-20 and options previously issued

4 (c) Share options (listed)

At 1 July 2020	284,304,604	-
Exercised options	(196,930,620)	-
At 31 December 2020	87,373,984	-

5. Events Subsequent to Reporting Date

On 21 January 2021, the Company announced that it has been awarded up to \$1.4 million towards the further development and commercialisation of its COVID-19 Antigen Rapid Test (ART)⁶, under the Queensland Government's Essential Goods and Supply Chain Program (EGSCP). The Company will draw down up to \$1.4 million against agreed milestones. The first claim for drawdown of funds against the has been submitted.

AnteoTech and contract research organisation Novotech finalised arrangements to conduct a Prospective Clinical Trial through Novotech's Indian laboratories. Novotech will provide project management, clinical trial monitoring, and patient recruitment, for the trial which will be performed in Q2. The results of the trial will support submission for TGA registrations.

There were no other events subsequent to the reporting date.

⁶ The AnteoTech Antigen Rapid Test detects the SARS-CoV-2 active virus that causes the disease called COVID-19.

DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

In the opinion of the directors:

- a. the consolidated financial statements and notes of AnteoTech Ltd set out on pages 12 to 18 are in accordance with the Corporations Act 2001, including
 - i. giving a true and fair view of its financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
 - ii. complying with Accounting Standard AASB 134 Interim Financial Reporting; and
- b. 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 the directors:

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'John (Jack) Hamilton', written over a horizontal line.

John (Jack) Hamilton
Chairman

Dated 26 February 2021

AUDITOR'S INDEPENDENCE DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2020



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DECLARATION OF INDEPENDENCE BY L G MYLONAS TO THE DIRECTORS OF ANTEOTECH LIMITED

As lead auditor for the review of AnteoTech Limited for the half-year ended 31 December 2020, 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 AnteoTech Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'L G Mylonas', written over a horizontal line.

L G Mylonas
Director

BDO Audit Pty Ltd

Brisbane, 26 February 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of AnteoTech Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of AnteoTech Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, 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 then ended, notes comprising a statement of accounting policies 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 half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 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 *Corporations Regulations 2001*.

Emphasis of matter - 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.

Directors' responsibility for the Half-Year 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 free from material misstatement, whether due to fraud or error.

Auditor's responsibility

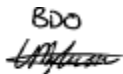
Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit Pty Ltd



L G Mylonas
Director

Brisbane, 26 February 2021