

30th June, 2016 Preliminary Financial Statements

Record 6 months for DIAsource underpins DIAsource acquisition strategy

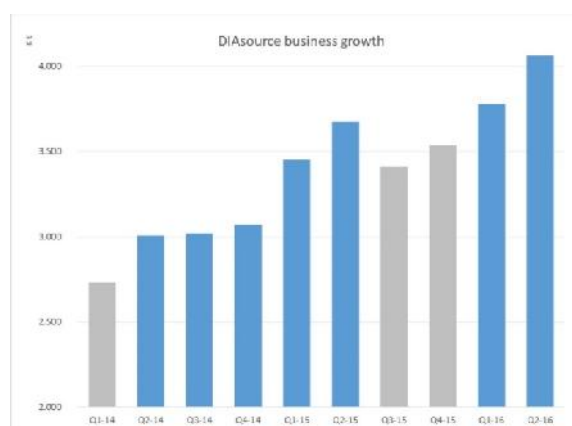
Anteo 30th June, 2016 preliminary financial statements affirm the DIAsource acquisition strategy. The recently acquired subsidiary delivered record half year Revenue of €8.07m and improved Gross Margin of 48.3%.

A focus on building a foundation for growth and continuous improvement in the IVD market has seen DIAsource deliver seven from ten 'best-quarter-ever' quarters since 2014 in the company's history (shown in blue).

The overall top-line growth has been accompanied by an improvement of Gross Margin by 7% and EBITDA by 9% since 2012.

The DIAsource foundation for growth is based upon:

- Customer oriented capabilities to deliver customised services and market needs
- Focusing on selected profitable product-market niche combinations
- A scalable quality controlled manufacturing and logistics infrastructure.



With this base platform established, DIAsource is ready to scale up and do more of the same by adding products to the manufacturing supply chain and opening additional geographical markets.

Profitable DIAsource to support and nurture potential of Anteo technology

Group CEO Dr Jef Vangenechten has a clear vision for building Anteo with the profitable and growing DIAsource business at the forefront that can support and nurture the development and commercialisation of the potential of Anteo's coating technology. DIAsource will utilise its centrally located facility to leverage its business development capabilities, be a proving ground for Anteo technology and provide manufacturing and other infrastructure.

POC the focal point of Anteo technology recognition

At Anteo Technologies the commercial activities have experienced repeated recognition of Mix&Go capabilities in Point of Care both in the advancement of client products through regulatory processes and in scientific papers.

Anteo battery application

The R&D group have exemplified the broad capability of the Anteo coating technology and delivered a range of products focused on specific life science applications, along with undertaking a number of successful third party validation projects. A strong commercial offering for the potential improvement of lithium ion batteries with a coherent IP strategy is now in place with its potential recognised in the battery industry. The depth and breadth of the medical device capability was developed further with a supporting set of patents applications.

Financial Summary

The Board of Anteo in recognition of the significance of its Euro based business activities has adopted the Euro as its reporting currency. The financial statements of the Anteo Group for the year ended 30th June 2016 are stated in Euro. Further, the combination of the DIAsource activities with those of Anteo has resulted in a more lengthy and complicated audit process that is not complete at the time of reporting. Accordingly, Anteo is issuing unaudited preliminary financial statements in the Appendix 4E.

The Anteo group financial statements incorporate the results of DIAsource for six months following the acquisition in January, 2016. The Group Revenue for the year ended 30th June, 2016 was €8,341,863. There was a Net Loss of €3,998,689 after expensing costs in relation to the acquisition of DIAsource amounting to €1,616,896 and R&D expenses of €2,694,087.

About Anteo Diagnostics Limited

Anteo Diagnostics Limited (ASX: ADO) is a global nanochemistry technology company, developing and commercializing products for the life sciences and clinical diagnostics, medical devices, and energy, and bioseparations markets. The Anteo Group owns a patented nanochemistry surface engineering technology which unites the strength and stability of covalent bindings with the gentleness of passive bindings through multi-point chelation. Used as a binder, coating or primer, Anteo's reagents target high-value commercial applications in protein binding and anti-body coupling (e.g point of care devices), primers for in-vivo medical devices and medical drug delivery, and coatings in batteries, and this across a broad range of industry sectors.

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Appendix 4E, Preliminary Final Report

Results for announcement to the market

This preliminary final report is based on accounts that are subject to final audit approval.

Current Reporting Period

Previous Reporting Period

Year ended 30 June 2016

Year ended 30 June 2015

	up/down			€
Revenue from ordinary activities	up	472%	to	9,729,683
Loss from ordinary activities after tax attributable to members	up	36%	to	(3,998,689)
Net loss for the period attributable to members	up	36%	to	(3,998,689)

Dividends / distributions	Amount per security	Franked amount per security
Interim dividend	0.0c	0.0c
Final dividend	0.0c	0.0c

The Directors do not propose or recommend the payment of a dividend

Record date for determining entitlements to the dividend

Not Applicable

Retained earnings	Year ended 30 June 2016 €	Year ended 30 June 2015 €
Accumulated losses at the beginning of the financial year	(25,570,584)	(22,633,021)
Transfer of Share Option Reserve	211,519	1,250
Net loss for the year	(3,998,689)	(2,938,813)
	<u>(29,357,754)</u>	<u>(25,570,584)</u>
Net tangible assets	As at 30 June 2016	As at 30 June 2015
Net tangible asset backing per ordinary share (AU Cents)	0.89	0.43

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Anteo Diagnostics Limited

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Consolidated Income Statement.

	Year ended 30 June 2016 €	Year ended 30 June 2015 €
Sales	8,341,863	323,892
Cost of sales	(4,067,367)	0
Gross profit	4,274,496	323,892
Other revenue from ordinary activities	1,387,820	1,377,885
Selling and distribution expenses	(2,121,467)	(1,239,989)
Administration expenses	(3,907,806)	(1,218,124)
Occupancy Expenses	(450,978)	(12,042)
Borrowing costs	(532,229)	(3)
Research and development expenses	(2,694,087)	(2,170,431)
Loss from ordinary activities before income tax benefit	(4,044,251)	(2,938,813)
Income tax benefit relating to ordinary activities	45,562	0
Loss from ordinary activities after income tax benefit	(3,998,689)	(2,938,813)
Total changes in equity other than those resulting from transactions with owners as owners	(3,998,689)	(2,938,813)
Basic earnings per share (cents per share)	(0.42)	(0.35)
Diluted earnings per share (cents per share)	(0.42)	(0.35)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS	948,549,980	840,306,068
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted EPS	998,715,588	894,576,436

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Notes to the Income Statement

1	Analysis of Revenues	Year ended 30 June 2016 €	Year ended 30 June 2015 €
	Revenues from operating activities		
	Sale of goods	8,341,863	323,892
	Other revenue from operating activities	38,470	75,004
	Revenues from non-operating activities		
	Interest - other corporations	55,657	93,339
	Grants and Subsidies	165,000	452,443
	R&D Tax Concession	1,013,693	757,099
	Other revenue from non-operating activities	115,000	-
		<u>9,729,683</u>	<u>1,701,776</u>
2	Net revenue / (expense) since the beginning of the reporting period resulting from deductions from the carrying amounts of assets		
	Depreciation of non current assets	607,007	113,008
	Sale on Non-Current Assets	(32)	-
	Loss on non-current assets written off	1,948	-
		<u>608,923</u>	<u>113,008</u>

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Consolidated Balance Sheet

	As at 30 June 2016 €	As at 30 June 2015 €
CURRENT ASSETS		
Cash assets	2,522,170	3,574,829
Receivables	4,967,782	166,779
Inventories	3,400,838	-
Other	72,017	36,852
TOTAL CURRENT ASSETS	<u>10,962,807</u>	<u>3,778,459</u>
NON-CURRENT ASSETS		
Property, plant and equipment	15,374,119	370,848
Financial Assets	5,209	-
Intangible Assets	8,893,903	-
TOTAL NON-CURRENT ASSETS	<u>24,273,231</u>	<u>370,848</u>
TOTAL ASSETS	<u>35,236,037</u>	<u>4,149,308</u>
CURRENT LIABILITIES		
Payables	3,158,465	237,524
Provisions	804,370	175,469
Interest Bearing Liabilities	4,101,913	-
TOTAL CURRENT LIABILITIES	<u>8,064,748</u>	<u>412,992</u>
NON-CURRENT LIABILITIES		
Interest bearing liabilities	13,553,238	-
Provisions	4,302,666	65,159
TOTAL NON-CURRENT LIABILITIES	<u>17,855,904</u>	<u>65,159</u>
TOTAL LIABILITIES	<u>25,920,652</u>	<u>478,151</u>
NET ASSETS	<u>9,315,385</u>	<u>3,671,156.44</u>
EQUITY		
Contributed equity	36,961,415	28,395,668
Convertible Securities	1,370,672	-
Option Reserve	501,753	676,683
Foreign Exchange Reserve	(160,701)	169,390
Accumulated losses	<u>(29,357,754)</u>	<u>(25,570,584)</u>
TOTAL EQUITY	<u>9,315,385</u>	<u>3,671,156.16</u>

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Consolidated statement of cash flows.

	Year ended 30 June 2016 €	Year ended 30 June 2015 €
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and grants	8,693,387	1,513,980
Payments to suppliers and employees	(13,678,855)	(3,936,195)
Borrowing costs	(98,626)	(3)
Interest received	55,412	96,412
Net cash (used in) operating activities	<u>(5,028,682)</u>	<u>(2,325,805.26)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for investment in controlled entities	(15,422,341)	-
Controlled Entity Cash	2,428,891	-
Payment for non-current assets	(55,162)	-
Payment for property, plant and equipment	(439,044)	(237,035)
Net cash (used in) investing activities	<u>(13,487,656)</u>	<u>(237,035)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from share issues	8,363,411	1,333,652
Proceeds from borrowings	8,650,059	-
Proceeds from issue of converting notes	1,370,672	-
Capital raising costs	(382,256)	-
Repayment of borrowings	(322,266)	-
Net cash (used in) provided by financing activities	<u>17,679,620</u>	<u>1,333,652</u>
Net increase (decrease) increase in cash held	(836,718)	(1,229,188)
Opening cash brought forward	3,574,829	1,859,651
Exchange Rate Adjustments	(215,941)	(79,024)
Closing cash carried forward	<u><u>2,522,170</u></u>	<u><u>551,438.68</u></u>

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	As at 30 June 2016 €	As at 30 June 2015 €
Reconciliation of cash.		
Cash on hand	7,728	667
Cash at bank	2,111,548	3,493,143
Deposit at call	402,894	81,019
	<u>2,522,170</u>	<u>3,574,829</u>
Reconciliation of net loss after tax to net cash flows from operations		
Net Loss	(3,998,689)	(2,938,813)
Non Cash Items		
Depreciation	607,007	113,008
Net Loss on non-current assets written off	1,948	-
Other Income	(115,000)	-
Options Expense	36,590	380,984
Changes in assets & liabilities		
(Increase) / decrease in trade debtors	(4,801,004)	(5,523)
(Increase) / decrease in other current assets	(35,165)	(29,821)
Increase/(Decrease) in trade creditors & accruals	2,920,941	43,942
Increase / (Decrease) in other liabilities	597,416	43,606
Foreign Exchange Adjustment	(242,726)	66,812
Net Cash flow from operations	<u>(5,028,682)</u>	<u>(2,325,805)</u>