

ACTIVITIES REPORT – QUARTER ENDED 30 September 2017

31 October 2017

HIGHLIGHTS

- Negotiated an extension of time from 11 July to 4 October 2017 for Anteo to meet its financial obligations to DIAsource Vendors
- Sale of the DIAsource business for €15.873 million cash which settled on 5 September 2017
- Sale of DIAsource restructures Balance Sheet with all outstanding loans repaid during the quarter
- Cash on hand at end of quarter €4.032 million (~A\$6.057 million)
- Chairman assumes position of Interim Executive Chairman for a 3 month period while the search for a Chief Executive Officer is underway.
- Strategy and board composition under review
- Investor webcast to take place on Monday 6 November 2017 at 3:00pm (AEDT)

1. DIAsource

Funding of DIAsource

During the quarter the Company continued to explore funding options in relation to the acquisition of DIAsource ImmunoAssays SA (“**DIAsource**”) which had an outstanding “Earn Out” payments in addition to the vendor financing.

To provide additional time for Anteo to repay the Earn Out amounts the Company negotiated an extension for the repayment of this amount from 11 July 2017 to 4 October 2017. At the same time it was agreed that the Earn Out amount would incur interest at 8%pa from 12 July 2017 and that if the Earn Out was repaid after 31 July 2017 the equity component would be reduced from 15% to 5%.

Sale of DIAsource

The Company undertook an exhaustive process over the past 10 months which sought to refinance the debt resulting from the initial acquisition of DIAsource. Despite the best efforts of the Board and Management to refinance, and due to the decline in the Company’s share price which limited capital funding options, it was considered prudent by the Board to sell the DIAsource business.

The DIAsource business was sold and settled during the quarter for €15,873,000 cash to BioVendor – Laboratorni medicina a.s. (BioVendor) located in the Czech Republic.

Sale of DIAsource Restructures Anteo Balance Sheet

Due to the sale of the DIAsource business the Company repaid all its outstanding loans of approximately €10.6 million which included vendor financing loans of €5.8 million, Earn Out amounts of €4.3 million due and other director and shareholder loans of €0.7 million. There were additional loans of €0.1 million repaid within the DIAsource business during the two months which Anteo owned the business and this took the total loan repayments to €10.7 million.

2. Anteo Technologies Update

Assay Development, Conjugates and Reagents

The Company has sought to form partnerships to improve the performance of Point of Care (PoC) and In Vitro Diagnostics platforms through integration of our nanotechnologies with our partners' complementary capabilities/technologies. These partnerships a mechanism by which our partners can analyse the benefits of our technology for their particular diagnostic requirements. In addition, it provides Anteo with a better understanding of the performance of its technology under a variety of conditions and how it applies to the broader market.

During the quarter we successfully completed the collaborative project with Atomo for the optical (colorimetric) measurement of heart attack symptoms (Troponin) using their PoC self-contained Rapid Test device. This project, along with other work we have done, has led us to believe that we could successfully optimize this test further through the development of a fluorescent as opposed to colorimetric test. We believe a fluorescent test would represent a higher value option and we are now in discussions with Atomo on how to progress our collaboration.

The Company is also partnering with Planet Innovation (PI), Deakin University and the Defence Materials Technology Centre (DMTC) to assist with Australia's preparedness strategy for countering infectious diseases and pandemics. This quarter, the company submitted the Milestone 4 Report. The Company has now submitted 4 of the 5 Milestone Reports, which demonstrate it may improve sensitivity for infectious diseases diagnostics. The Milestone 5 Report is underway and is expected to be submitted in the fourth quarter of this year. In addition, we are progressing discussions with our partners on how Anteo can extract value out of the work being completed.

Anteo continues to promote and sell products comprising Anteo coating technologies that have been shown to simplify the manufacturing of, and/or increase sensitivity of, PoC and general laboratory based pathology tests. China is considered to be an important market for Anteo and hence the Company has been in discussion with potential distributors of diagnostic products in this market. The intention is to identify a trusted local Chinese partner that can assist with market penetration of the Company's Nano-coating Technology.

MedTech

Anteo has successfully concluded the Cook Medical project. While this project delivered on agreed milestones, Cook Medical in the US opted to progress an alternative solution to their problem of coating stability as that did not require a regulatory resubmission. The opportunity to work with an established Medical Devices manufacturer such as Cook highlighted the application areas where Anteo surface coating technologies may play an important role. The company is reviewing its activities with the intent of progressing its intellectual property in this space. The opportunities for Anteo in the Medtech Industry are being examined and the Company is reviewing how best to position itself commercially in this market.

Batteries

Following the end of the quarter Anteo decided that it should progress its Nano-coating Technology in lithium-ion batteries to the National Phase of Examination. The Company filed its patent application in 18 countries either directly or via the European Patent Organisation. The Company has adopted a broad Patent Strategy that targets the key consumer and producer Lithium-ion battery markets.

The report conducted by Polaris Battery Labs LLC ("**Polaris**") (announced 18 October 2017) and the initial proof of concept test work that has been conducted provided the Company with the confidence to progress with these Patent filings.

In most current Lithium-ion batteries, graphite is used as an anode material. Silicon has the capability to store ten times more energy in an anode than graphite and so there is an industry wide drive towards higher capacity silicon anodes. One of the key challenges for silicon anode batteries is the expansion and contraction of the silicon anode while charging and discharging. This results in cell degradation and reduced performance of the battery over time.

The Company has previously completed proof of concept test work which demonstrates that its Nano-coating Technology acts as a stabilizer to silicon anodes within a battery cell which reduces the degradation of the battery over time.

The Company will progress further research in the growing Lithium-ion battery market.

4. Corporate Update

Cash

At the end of the quarter Anteo had cash of approximately €4.032 million (~A\$6.057 million) on hand.

Issue of Shares

The Company issued 18,826,996 ordinary shares during the quarter to satisfy 5% of the Earn Out amount being ~ €0.2 million due to the DIAsource vendors.

Activities Started During Quarter

On the resignation of the Group CEO, Dr John Hurrell, Chairman, agreed to take on responsibilities as Interim Executive Chairman for a 3 month period. This will take the company through to the AGM. Key objectives during this period are

1. Complete review of Anteo Intellectual Property and technology
2. Develop new strategic plan
3. Review company Board needs
4. Undertake CEO recruitment
5. Commence implementation of the plans
6. Communication to shareholders on way forward
7. Provide leadership up to and including the AGM.

The Company has retained the services of a company, Effective Governance, specializing in Board structure, performance assessment, Board level strategic planning and investor communications. Effective Governance is providing facilitation and guidance to the Board and Management on these issues as we address the new direction for the company and implement more rigorous processes with a commercial focus.

Shareholders will be provided information regarding the Company's plans going forward in the coming weeks. To this end the Company will be having a Live Investor Webcast.

Live Investor Webcast Update

The Company will be hosting a Live Investor Webcast to update shareholders on the Company's plans.

Webcast details:

Time: Monday 6 November 2017, 3:00pm (AEDT)

Webcast link:

<http://webcasting.boardroom.media/broadcast/59f28ea060ff344b8fcd8af2>

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

Anteo Group is a global nanochemistry technology and medical supply group, developing, commercialising, manufacturing and distributing products for the life sciences, clinical diagnostics and bioseparations markets, and creating new applications in the energy and medical devices sectors.

Through Anteo Technology, the Anteo Group owns a patented nanochemistry surface engineering technology which unites the strength and stability of covalent binding with the gentleness of passive binding through multi-point chelation. Through the use of its reagents binders, coatings or primers, Anteo provides materials and services for high-value commercial applications. Markets include protein binding and antibody coupling (e.g. point of care devices), primers for in-vivo medical devices and medical drug delivery, and coatings with commercial applications across a broad range of industry sectors, including life sciences, in vitro diagnostics, medical devices and energy.

Through its wholly owned subsidiary, DIAsource Immunoassays SA, Anteo Group manufactures and distributes a complete catalogue of ELISA and RIA products for clinical diagnostics via established distribution channels in 75 countries across the world, including antibodies and laboratory automation instrumentation.

For more information, please visit www.anteodx.com