anteo diagnostics

Appendix 4D
Half-Year Report
For the half-year ended 31 December 2017
ABN 75 070 028 625

This half-year report is provided 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 2017.

Current reporting period:	Half-year ended 31 December 2017
Previous corresponding period:	Half-year ended 31 December 2016

Results for Announcement to the Market

		Percentage Change		Amount
		%		’000
Revenue from ordinary activities	Down	93%	to	164
Profit/(loss) from ordinary activities after tax attributable to members	Down	4%	to	(2,832)
Net profit/(loss) for the period attributable to members	Down	4%	to	(2,832)

The Revenue from ordinary activities was down primarily due to research and development rebates of nil (2016: $2,061,302) being received in the current half year.

Dividends/distributions

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

Net Tangible Assets

	2017 cents	2016 cents
Net tangible asset backing per ordinary share	0.41	-0.15

Appendix 4D *(continued)*
Half-Year Report
For the half-year ended 31 December 2017
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Controlled entities acquired or disposed of

The 100% owned entity DIAsource Immunoassays SA ("**DIAsource**") was sold on 5 September 2017. DIAsource contributed a loss of $34,340 (2016: $2,271,409 gain) during the period.

Notes:
- Reports are based on audited consolidated financial statements
- All figures are presented in Australian dollars, unless otherwise stated

ANTEO DIAGNOSTICS LIMITED AND ITS CONTROLLED ENTITIES
ABN 75 070 028 625

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

ANTEO DIAGNOSTICS LIMITED AND ITS CONTROLLED ENTITIES
ABN 75 070 028 625

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Contents	*Page*	*Contents*	*Page*
Corporate Directory	1	Statement of Cash Flows	10
Chairman's Letter	2	Notes to the Financial Statements	11
Directors' Report	4	Directors' Declaration	15
Consolidated Statement of Profit or Loss and Other Comprehensive Income	7	Auditor's Independence Declaration	16
Statement of Financial Position	8	Auditor's Independent Review Report	17
Statement of Changes in Equity	9		

CORPORATE DIRECTORY

Directors	Dr John Hurrell	Non-Executive Chairman/Director
	Dr Geoffrey Cumming	Non-Executive Director
	Mr Matthew Sanderson	Non-Executive Director
	Mr Rolf Sickman	Non-Executive Director
Chief Executive Officer	Dr Stefan Enderling	
Company Secretary	Mr Julien McInally	
Registered office	4/26 Brandl Street, Eight Mile Plains QLD 4113	
Mailing address	4/26 Brandl Street, Eight Mile Plains QLD 4113	
E-mail:	contact@anteotech.com	
Website:	www.anteotech.com	
Legal advisors	ClarkeKann Lawyers 300 Queen Street, Brisbane QLD 4000	
Auditors	Grant Thornton 145 Ann Street, Brisbane QLD 4000	
Patent attorneys	Freehills Patent Attorneys 101 Collins Street, Melbourne VIC 3000 Fisher Adams & Kelly Level 6, 175 Eagle Street, Brisbane QLD 4000	
Share registry	Boardroom Pty Limited Level 7, 207 Kent Street, Sydney NSW 2000	
Bankers	Australia and New Zealand Banking Group Limited 3 Sherwood Road, Toowong QLD 4066	

CHAIRMAN'S LETTER
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Dear Shareholders,

Developments since the end of last financial year have resulted in a Company that is well positioned to progress potential opportunities going forward. The transformation process which started with the sale of the DIAsource business and is ongoing has resulted in a:

- new Chief Executive Officer being appointed to lead the organisation through its next phase of growth.
- strategy focused on leveraging off the Company's key nano-coating technologies in a variety of sectors such as Batteries, Diagnostics and Medical Technology.
- well advanced Intellectual Property ("IP") position that protects our commercial interests in a number of sectors.
- sound cash position with $4,918,662 of funds available as at 31 December 2017.
- process underway for Board renewal which is expected to result in the appointment of a new Independent Chairman by 31 March 2017.

The sale of the DIAsource business was the first step in our transformation process. The DIAsource business was sold for $23,634,575 (€15,873,000) and resulted in a significant restructure of our balance sheet. With the proceeds, the Company repaid all outstanding loans and earn out payments to the original DIAsource owners and all working capital facilities provided by Directors and shareholders. The Company is now debt free and has sound cash position of $4,918,662 as at 31 December 2017.

I am excited by the opportunity in the Lithium-ion Battery sector. The bulk of Lithium-ion batteries use a predominately graphite anode as part of the battery chemistry. It is recognised that a step change in anode performance and ultimately battery energy storage capacity can be achieved by using more silicon in an anode. The issue with silicon is that it expands and contracts significantly on charge and discharge which results in degradation of the cell and reduce battery life. A review of the our data by an independent third party specialising in battery technology, Polaris Battery Labs (Polaris), conducted during the half year confirmed that our technology could assist with reduction in the degradation of the cell and may lead to a significant improvement in battery performance. The Company presently has an external project being conducted at Polaris to look at scalability and reproducibility of batteries constructed incorporating the Company's technology.

To protect the commercial interests of the Company in the battery sector the Company lodged patent applications in a broad range of countries, which covered more than 90% of the global Lithium-ion battery market. It's early days for Anteo in this battery space but it is exciting to be part of an industry that will have a profound change in the energy and electronics sectors.

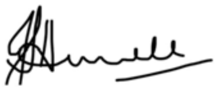
The Company's strategy is to look at commercially evaluating opportunities to understand how the Company can position itself in each sector to best extract value for its shareholders. To this end the Company continues to progress the review of opportunities in the Diagnostics and Medical Technology sectors and will update the market in due course as these assessments progress.

During the half year the Company appointed Dr Stefan Enderling as Chief Executive Officer. He has a broad industry experience in both healthcare and energy sectors and is well placed to lead the organisation with a focus on commercialisation of our nano-coating technology.

The Board renewal process which started, after the sale of DIAsource, with a skills gap assessment, provided the Board with insight into the contributions of each of the board members. A number of changes to the Board were made during the half year and I thank Mr Martin and Mr Studley for their contributions through a difficult time in the Company's history. Mr Sanderson was also welcomed to the Board during the half year. The Company is currently focused on appointing an Independent Chairman by the 31 March which will then allow both myself and Mr Sickman to step down as Directors.

The Company is now in a good position to deliver shareholder value and although this is likely to be my last official review of activities to shareholders, I will continue to follow Anteo's progress with interest and I look forward to seeing the good work continued throughout the calendar year under the leadership of the new Board and management team.

Yours faithfully,



John Hurrell
Chairman
28th February 2018

The Directors of Anteo Diagnostics Limited submit herewith the interim financial report for the half-year ended 31 December 2017. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

The names of the Directors of the Company during or since the end of the half-year are:
Dr John Hurrell
Dr Geoffrey Cumming
Mr Rolf Sickman
Mr Matt Sanderson (appointed 19 October 2017)
Mr Richard Martin (resigned 29 September 2017)
Mr Alan Studley (ceased 16 November 2017)

REVIEW OF OPERATIONS

Sale of DIASource

The Company during the six months sought to restructure its balance sheet and reduce its debt position. To this end the Company completed and settled the sale of its 100% owned European business, DIAsource Immunoassays ("**DIAsource**"), which has redirected the focus of the Company to Australia and the commercialisation of the Company's nano-coating technology.

The DIAsource sale was settled on the 1st September for $23,634,575 (€15,873,000) before costs and $23,024,024 after transaction costs. The cash remaining in the DIAsource business, of $1,542,300 at settlement, was transferred to the new owner.

On settlement of the DIAsource business the Company repaid loans, earn out payments and interest owing to the DIAsource vendors, Directors and shareholders which amounted to $16,457,386. In addition, the Company retired part of the DIAsource loans/earn out payments of $324,203 with an issue of 18,826,996 shares. The Company is now debt free and is well placed with a cash position of $4,918,662 as at 31 December 2017.

Strategy

Anteo's Board and senior management commenced the development of a strategy during the period that resulted in an investor presentation being delivered by our Chairman, Dr John Hurrell, on 8 November 2017. The investor presentation identified key objectives for the company in 2018 which are:

- develop the commercial opportunities for the Anteo technology in the Lithium-ion battery industry,
- develop the POC relationship discussions into partner agreements,
- initiate medical devices partnerships to develop MedTech applications,
- hire key commercial staff, and
- restructure the Board.

Further the Company is positioning itself as a surface chemistry innovation company with our purpose being to create shareholder value by identifying and solving important global industry problems and providing unique value-add solutions for ourcustomers in the Energy, Medical Devices, Diagnostics and Life Science markets.

Batteries

The Company filed its battery 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 Company's patents cover countries exporting more than 90% of the global Lithium-ion batteries.

The report conducted by Polaris (announced 18 October 2017) on the initial Proof of Concept test work provided the Company with the confidence to progress with these Patent filings.

In addition, the Company agreed on the Scope of Work and commenced this next phase of test work with Polaris. The primary objective of the project is to generate third party (Polaris) data that demonstrates the effects of AnteoCoat on the performance of Lithium-ion battery cells. This next phase of test work will examine:

- the impact of various concentrations of AnteoCoat on a variety of ratios of Silicon incorporated into an anode.
- the performance of AnteoCoat on half and full coin cell battery prototypes.
- the modelling of these results such that the overall impact of AnteoCoat on Lithium-ion anode battery performance can be characterised and documented.

Assay Development

The Company has completed all Point of Care ("**PoC**") projects reported previously to the market. All projects undertaken have produced very good technical results and have shown improved sensitivity and lower limit of detection compared to conventional assay technology.

Excellent technical performance results have lead the Company to believe that AnteoBind provides commercial benefits to lateral flow-based assay technology. As such the Company intends to move up the value chain and position itself as a lateral flow assay innovation and commercialisation organisation as opposed to a supplier of conjugates.

Currently Anteo is analyzing its proposed positioning within the wider PoC strategy by aligning customer needs with technical advantages of AnteoBind with the aim of increasing revenue potential for the Company.

Medical Technology

Cook Medical in the US opted to progress an alternative solution to Anteo's approach to their problem of coating stability that would avert the expense of re-registration of their products. The project highlighted application areas where Anteo surface coating technologies may play an important role. The Company has independently filed two patents, one on anti-thrombogenic surface coatings and the other on drug elution methods based around its core technology on binders, primers and coatings. Both patents have broader applications beyond these specific application areas and both will be entering National Phase in the first half of 2018.

In preparation, the Company has been reviewing the Written Opinions of International Search Reports and the identified prior art documents. Review of the first application has been completed and we have high confidence that this application can successfully progress to a granted patent. This opinion is backed up by the assessment of our patent attorneys. The second application is still undergoing review but Anteo is confident of progressing this application as well. However, due to the broad applicability to a number of applications in the field of medical devices, the company must align its specific claims to commercially relevant objectives. Accordingly, the commercial opportunities for Anteo in the Medtech Industry are being examined with IP position and competitive advantage being important metrics.

Appointment of Chief Executive Officer

The Company announced (7 December 2017) the appointment of Dr Stefan Enderling to lead the Company through its next phase of growth with a start date of 1 January 2018. Dr Enderling has been appointed on a full time basis and will focus on delivering the abovementioned objectives. He is currently commuting from Adelaide and will relocate to Brisbane with his family in the first half of 2018.

During the period Mr Matthew Sanderson was appointed to the Board as Non-Executive Director while Non-Executive Director, Mr Alan Studley, left the Company.

Board Renewal Process

Immediately preceding the quarter the Company provided an update on the Board renewal process which highlighted that the process for recruitment of an Independent Chairman had commenced. As part of the Board Renewal process Non-Executive Director, Mr Rolf Sickman, has notified the Company that he intends to resign upon the appointment of a new Independent Chairman or by the 31 March whichever is the earlier. Dr John Hurrell, the Company's current Chairman, will resign no later than the 30 June 2018.

RESULT FOR THE PERIOD

The consolidated net loss after tax for the half-year ending 31 December 2017 was $2,832,638 compared with a loss of $2,945,644 in the same period last year.

The significant change from last half-year to this half-year is the sale of DIAsource Immunoassays SA and its subsidiaries (DIAsource). The 31 December 2017 results include operating results of DIAsource for two months being to the date of loss of control, 31 August 2017 (see note 4).

As at 31 December 2017, the Company held cash and deposits of $4,918,662 (30 June 2017: $928,565).

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 16 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 Hurrell
Chairman
28th February 2018

ANTEO DIAGNOSTICS LIMITED AND ITS CONTROLLED ENTITIES
ABN 75 070 028 625

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Note	31 December 2017 $	31 December 2016 $
Sales revenue		140,175	125,792
Other income	2	23,152	2,097,109
Total revenue		163,327	2,222,901
Selling, distribution and business development expenses		(81,142)	(304,328)
Occupancy expenses		(217,736)	(213,284)
Administration expenses		(1,301,084)	(1,021,940)
Borrowing costs		(566,302)	(760,485)
Research and development expenses		(795,361)	(921,895)
Earn out adjustment relating to acquisition		-	(4,217,989)
(Loss) before income tax		(2,798,298)	(5,217,020)
Income tax expense		-	-
(Loss) for the half year from continuing operations		(2,798,298)	(5,217,020)
Profit/(loss) for the half year from discontinued operations	4	(34,340)	2,271,409
(Loss) for the half year		(2,832,638)	(2,945,611)
Other comprehensive income			
Exchange difference on translating discontinued operations		380,560	(86,004)
Total comprehensive income (loss)		(2,452,078)	(3,031,615)
Earnings per share			
Basic earnings per share (cents per share)			
- earnings from continued operations		(0.24)	(0.46)
- earnings from discontinued operations		(0.00)	0.20
		(0.24)	(0.26)
Diluted earnings per share (cents per share)			
- earnings from continued operations		(0.24)	(0.46)
- earnings from discontinued operations		(0.00)	0.20
		(0.24)	(0.26)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Note	31 December 2017 $	30 June 2017 $
CURRENT ASSETS			
Cash and cash equivalents		4,918,662	928,565
Receivables		54,942	131,591
Other		63,167	14,599
Assets and disposal group classified as held for sale		-	43,117,582
TOTAL CURRENT ASSETS		5,036,771	44,192,337
NON-CURRENT ASSETS			
Property, plant and equipment		312,754	370,549
TOTAL NON-CURRENT ASSETS		312,754	370,549
TOTAL ASSETS		5,349,525	44,562,886
CURRENT LIABILITIES			
Trade and other payables		368,279	655,372
Financial liabilities		-	15,715,251
Provisions		184,299	220,140
Liabilities included in disposal group held for sale		-	21,027,683
TOTAL CURRENT LIABILITIES		552,578	37,618,446
NON-CURRENT LIABILITIES			
Provisions		15,382	35,000
TOTAL NON-CURRENT LIABILITIES		15,382	35,000
TOTAL LIABILITIES		567,960	37,653,446
NET ASSETS		4,781,565	6,909,440
EQUITY			
Contributed equity		59,061,800	58,737,597
Share option reserve		868,643	972,646
Foreign exchange reserve		-	(404,932)
Accumulated losses		(55,148,878)	(52,395,871)
TOTAL EQUITY		4,781,565	6,909,440

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

ANTEO DIAGNOSTICS LIMITED AND ITS CONTROLLED ENTITIES
ABN 75 070 028 625

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Ordinary Shares	Convertible Notes	Options	Accumulated Losses	Foreign Exchange	Total
	$	$	$	$	$	$
Balance at 1 July 2016	**53,590,715**	**2,036,660**	**705,901**	**(42,009,191)**	**(418,448)**	**13,905,637**
Issued during the period	-	665,500	-	-	-	665,500
Conversions of convertible notes to ordinary shares	2,702,160	(2,702,160)	-	-	-	-
Options expensed for the period	-	-	26,865	-	-	26,865
Options lapsed for the period	-	-	(140,000)	140,000	-	-
Losses attributable to members of the parent entity	-	-	-	(2,945,611)	-	(2,945,611)
Other comprehensive income	-	-	-	-	(86,004)	(86,004)
Balance at 31 December 2016	**56,292,875**	**-**	**592,766**	**(44,814,802)**	**(504,452)**	**11,566,387**
Balance at 1 July 2017	**58,737,597**	**-**	**972,646**	**(52,395,871)**	**(404,932)**	**6,909,440**
Issued during the period	324,203	-	-	-	-	324,203
Options lapsed for the period	-	-	(104,003)	104,003	-	-
Losses attributable to members of the parent entity	-	-	-	(2,832,638)	-	(2,832,638)
Other comprehensive income	-	-	-	-	380,560	380,560
Transfer of foreign exchange reserve	-	-		(24,372)	24,372	
Balance at 31 December 2017	**59,061,800**	**-**	**868,643**	**(55,148,878)**	**-**	**4,781,565**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	31 December 2017 $	31 December 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,892,665	10,668,417
Receipts from government grants and rebates	77,232	2,403,155
Payments to suppliers and employees	(6,255,691)	(12,473,898)
Borrowing costs	(687,469)	(1,207,010)
Interest received	11,900	39,290
Net cash (used in) operating activities	(2,961,363)	(570,046)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for property, plant and equipment	(178,106)	(107,164)
Proceeds from the sale of property, plant and equipment	2,300	-
Proceeds from the sale of the business	23,634,575	-
Transaction costs relating to the sale of the business	(610,551)	-
Cash in the business sold	(1,542,300)	-
Net cash (used in) investing activities	21,305,918	(107,164)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Capital raising costs	(170,000)	-
Proceeds from share issues	-	-
Proceeds for the issue of convertible notes	-	665,500
Proceeds from borrowings	231,454	954,523
Repayment of borrowings	(16,077,221)	(1,416,432)
Repayment of finance leases	-	(53,586)
Net cash (used in) provided by financing activities	(16,015,767)	150,005
Net increase (decrease) increase in cash held	2,328,788	(527,205)
Opening cash brought forward (including cash in assets and disposal group classified as held for sale)	2,573,666	3,764,995
Foreign exchange effect	16,208	154,826
Closing cash carried forward	4,918,662	3,392,616

The above statement of cash flow includes the cash flows for discontinued operations of DIASource Immunoassays SA (see note 4).

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

1. Summary of accounting policies

Basis of preparation

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001, AASB 134 Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year financial report does not include disclosures or notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any other public announcements made during the half-year in accordance with the continuous disclosure requirements arising under the Australian Stock Exchange Listing Rules and the Corporations Act 2001.

Disposal of subsidiary DIASource Immunoassay SA.

During the period the group disposed of its Belgium based subsidiary, DIAsource Immunoassay SA and its subsidiaries (DIAsource) (see note 4). DIAsource is deconsolidated from the group effective 31 August 2017. The accounting treatment for DIAsource is explained in note 4.

Change of reporting currency from the Euro to Australian Dollar

With the disposal of DIAsource and the functional currency of the remaining businesses of the group being the Australian dollar($), the board consider that it is no longer appropriate for the reporting currency of the group to be Euro(€) but instead the Australian dollar($). Accordingly from the 2018 financial year (including these financial statements) the reporting currency of the group is Australian dollars ($). The effective date of adoption of the Australian dollar ($) as the reporting currency is 1 July 2016 as the comparatives in these half year financial statements and 2018 year end financial statements are required to be restated in the Australian dollar ($). The comparatives for the assets and liabilities for the statement of financial position have been translated at the foreign exchange rate pertinent at balance date while equity items reflect historical rates. The comparatives for the statement of profit or loss and other comprehensive income have been translated at an average foreign exchange for the half year. This was considered appropriate given the level of volatility in the AUD/EUR exchange rate in the half year.

Going concern

This report adopts the going concern basis of accounting, which contemplates the realisation of assets and the discharge of liabilities and commitments in the ordinary course of business.

2. Results for the Half-year	**31 December 2017** $	**31 December 2016** $
The loss before income tax expense has been determined after:		
Depreciation of non-current assets:		
Plant and equipment	(72,482)	(93,949)
Total depreciation of non-current assets	(72,482)	(93,949)
Staff remuneration		
Salaries	(755,824)	(1,020,901)
Superannuation	(52,847)	(91,989)
Share based payments	-	(26,864)
	(808,670)	(1,139,754)
Other income		
R&D tax concession rebate and grants	-	2,061,302
Rent and other	14,222	32,636
Interest – other corporations	8,930	3,351
	23,152	2,097,289
Other expenses from ordinary activities		
Operating lease rentals	(179,652)	(177,722)
	(179,652)	(177,722)

3. Segment reporting

Consolidated 31/12/2017	**Australia** $	**Belgium** $	**Total** $
Revenue	140,175	-	140,175
Other income	23,152	-	23,152
Total revenue and other income	163,327	-	163,327
Profit/(loss) from continuing operations	(1,047,645)	-	(1,047,645)
Profit/(loss) from discontinuing operations	-	(34,340)	(34,340)
Segment operating profit/(loss)	(1,047,645)	(34,340)	(1,081,985)
Unallocated profit/loss			(1,750,653)
Group operating profit/(loss)			(2,832,638)
Assets			
Segment assets	5,349,525	-	5,349,525
Unallocated assets			-
Total group assets			5,349,525
Liabilities			
Segment liabilities	567,960	-	567,960
Unallocated liabilities			-
Total group liabilities			567,960
Additions to non-current assets	7,100	-	7,100

3. Segment Reporting cont'd

Consolidated 31/12/2016	Australia	Belgium	Total
	$	$	$
Revenue	125,792	-	125,792
Other income	2,097,109	-	2,097,109
Total revenue and other income	2,222,901	-	2,222,901
Profit/(loss) from continuing operations	744,104	-	744,104
Profit/(loss) from discontinuing operations	-	2,271,409	2,271,409
Segment operating profit/(loss)	744,104	2,271,409	3,015,513
Unallocated profit/loss			(5,961,124)
Group operating profit/(loss)			(2,945,611)
Assets			
Segment assets	621,056	50,143,685	50,764,741
Unallocated assets			1,159,104
Total group assets			51,923,845
Liabilities			
Segment liabilities	836,074	20,485,442	21,321,516
Unallocated liabilities			19,035,942
Total group liabilities			40,357,458
Additions to non-current assets		107,164	107,164

4. Assets and disposal groups classified as held for sale and discontinued operations

On 31 August 2017, the group signed an unconditional agreement to sell 100% of the shares of its wholly owned subsidiary DIAsource Immunoassays SA (DIAsource) located in Louvain-la-Neuve, Belgium, to BioVendor – Laboratorni medicina a.s. (BioVendor) for € 15,873,000 cash. Settlement occurred on 5 September 2017. Accordingly, it is the view of the board of the parent that the date for the loss of control in accordance with the principles outlined in AASB 10 of DIAsource is 31 August 2017 and it is from 31 August that DIAsource and its subsidaries no longer form a part of the consolidated group for reporting purposes.

The assets and liabilities allocable to DIAsource and its subsidiaries (being the Belgium segment) were first disclosed as a disposal group in the prior year financial statements. Revenue and expenses, gains and losses relating to the disposal group have been eliminated from the profit or loss and other comprehensive income and are shown as a single line item on the face of the statement of profit or loss and other comprehensive income (see profit / (loss) from discontinued operations) and only reflects two months to 31 August 2017. The prior year comparatives have been restated in accordance with this treatment.

Operating loss of DIAsource for the 2 months until 31 August 2017 and the profit and loss from re-measurement and disposal of assets and liabilities classified as held for sale is summarised as follows:

	2 mth 31 August 2017	12 mth 31 December 2016
	$	$
Sales revenue	3,571,124	12,340,976
Cost of sales	(2,056,839)	(5,731,458)
Other income	80,480	862,282
Selling and distribution expenses	(475,290)	(1,317,518)
Occupancy expenses	-	(666,869)
Administration expenses	(691,843)	(2,290,322)
Borrowing expenses	(155,940)	(394,856)
Research expenses	(267,650)	(338,376)
Income tax benefit (expense)	19,018	(192,450)
Profit/(loss) from the disposal group	23,060	2,271,409

4. Assets and disposal groups classified as held for sale and discontinued operations (cont'd)

	31 December 2017 $	31 December 2016 $
Gain/(loss) on measurement and disposal		
Gain/(loss) before tax on measurement to fair value less cost to sell	-	-
Gain/(loss) before tax on disposal	(57,400))	-
Tax income (expense)	-	-
Total gain/(loss)	(34,340)	2,271,409

Cash flows generated by DIAsource for the reporting periods under review are as follows:

	31 December 2017 $	31 December 2016 $
Operating activities	(107,014)	465,068
Investing activities	(171,006)	(92,363)
Financing activities	183,305	606,593

5. Events Subsequent to Reporting Date

There were no events subsequent to the reporting date.

DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

In the opinion of the directors:

a. the consolidated financial statements and notes of Anteo Diagnostics Limited set out on pages 7 to 14 are in accordance with the Corporations Act 2001, including
   i. giving a true and fair view of its financial position as at 31 December 2017 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

John Hurrell
Chairman

Dated 28th February 2018

AUDITOR'S INDEPENDENCE DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

GrantThornton

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Auditor's Independence Declaration to the Directors of Anteo Diagnostics Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Anteo Diagnostics Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b No contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Cameron Smith

CDJ Smith
Partner – Audit & Assurance

Brisbane, 28 February 2018

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Independent Auditor's Review Report
To the Members of Anteo Diagnostics Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Anteo Diagnostics Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Anteo Diagnostics Limited does not give a true and fair view of the financial position of the Group as at 31 December 2017, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

AUDITOR'S INDEPENDENT REVIEW REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

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 2017 and its 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 Anteo Diagnostics Limited, 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.*

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Cameron Smith

CDJ Smith
Partner - Audit & Assurance

Brisbane, 28 February 2018