

Appendix 4D
Half-Year Report
For the half-year ended 31 December 2018
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 2018.

Current reporting period: Half-year ended 31 December 2018
 Previous corresponding period: Half-year ended 31 December 2017

Results for Announcement to the Market

		Percentage Change		Amount
		%		'000
Revenue from ordinary activities	up	33%	to	217
Profit/(loss) from ordinary activities after tax attributable to members	Down	43%	to	(1,605)
Net profit/(loss) for the period attributable to members	Down	43%	to	(1,605)

The Revenue from ordinary activities was up primarily due to research and development rebates of \$126,070 (2017: nil) being received in the current half year. This was offset by a reduction in sales revenue for the half year.

The consolidated net loss after tax for the half-year ending 31 December 2018 was \$1,605,506 compared with a loss of \$2,832,638 in the same period last year. The reduction in losses for the half year are primarily due to:

- reduced occupancy expenses of \$72,219 due to a reduction in office space,
- reduced administration expenses of \$648,533 due to the previous year including consulting and legal costs in relation to the sale of the Company's subsidiary DIAsource Immunoassays SA,
- reduction in borrowing costs of \$566,302 due to a payout of a loan in August 2017,
- an increase in other income of \$110,823 mainly due to an R&D grant receivable in 2018, and
- offset by an increase in R&D expenditure of \$214,177 due to the ramp of activity in pursuing the Battery opportunity.

Appendix 4D (continued)
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Dividends/distributions

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

Net Tangible Assets

	2018 cents	2017 cents
Net tangible asset backing per ordinary share	0.22	0.41

Audit Review and Emphasis of Matter

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement. The audit report contains an Emphasis of Matter related to the disclosures made in the financial report relating to Going Concern.

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 2018

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

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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

Chief Executive Officer Mr Christopher Parker

Company Secretary Mr Julien McNally

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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 2018**

Dear Shareholders,

Since the end of the Financial Year, the company has accelerated development of its technologies in the battery and healthcare sectors. Anteo has successfully increased the energy density of lithium batteries as well as re-vitalising interest in AnteoBind™ in the Life Sciences sector and in particular Point of Care (“**PoC**”) diagnostics.

To ensure Anteo has the necessary stability, leadership and industry knowledge, our Chief Executive Officer, Christopher Parker agreed to extend his original short-term contract through to June 30 2019 giving the Company access to his significant Life Science experience and technical capability.

In the battery division, two Material Transfer Agreements (MTA) have been signed with major international companies, one a global battery component manufacturer, and the other a silicon supplier to the battery industry. The battery team has further refined the anode production process which is delivering consistent and reliable battery performance. This work is what has attracted the interest with our first two collaborators. Work has now commenced on incorporating their respective proprietary materials with Anteo Coat™ and carrying out early categorisation of the anode characteristics. Initial feedback from ‘collaborator 1’ has been received well and has set the agreed program for the next phase of half-cell battery evaluation which is expected to be complete by early April.

The decision to establish in-house battery development capability has been invaluable and has allowed the Company to accelerate its learning process and improve half-cell performance of the Anteo composite anodes. This has resulted in the two MTA Agreements with credible international collaborations. We remain focused on driving the learning of how AnteoCoat™ can increase silicon levels in a battery anode and in doing so increase the energy density of lithium batteries. Everything to date remains very encouraging from the work the battery team is carrying out and hopefully positions the Company to commence commercial discussions with collaborators by mid-year.

The Company has re-invigorated its Life Sciences strategy with a focus on POC applications which is a developing market currently looking for out of the box solutions to assist with improving accuracy and speed of diagnostic kits. The internal data package, put together by our team earlier in the half year, demonstrated that AnteoBind™ can provide significant advantages in POC diagnostic performance. This has generated significant interest in our product and capabilities with now over 20 plus commercial leads at differing levels of discussion and progress. The company has made a significant shift in its product positioning and has moved up the value chain by providing already prepared activated particles to customers rather than selling AnteoBind™ directly. This allows the Company to better ensure that the benefits AnteoBind™ are realised and that customers obtain the full advantages of our product. We were also very pleased to see one of our foundation partners in the PoC business, Ellume recently announce two significant commercial agreements to progress commercialisation of its products which utilise AnteoBind™.

We also announced the execution of a distribution agreement with GeneoDx Biotechnology Co. Ltd (“**GeneoDx**”), a major Chinese Life Science product distributor, who is 50% owned by Sinopharm, one of China’s major pharmaceutical suppliers. The formal kick off of the collaboration occurred late January with the Anteo team in Shanghai carrying out training and joining GeneoDx representatives in customer introduction visits. We look forward to seeing the development in this major market which is very open to new technology as it strives to not only produce for its own market but also develop the capability to compete in global export markets for PoC tests as well as IVD testing.

CHAIRMAN'S LETTER
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

The Company continues to focus on its strategy to push development of Anteo products into the battery and Life Science PoC applications and maintains a prudent management of its cash and resources.

I thank all shareholders for their continued support, and I remain encouraged by the progress the company is making in realising commercial benefit in both these strategic focus areas.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'John (Jack) Hamilton', with a long horizontal stroke extending to the right.

John (Jack) Hamilton
Chairman
27 February 2019

DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

The Directors of Anteo Diagnostics Limited submit herewith the interim financial report for the half-year ended 31 December 2018. 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 30 June 2018 are:

Dr John (Jack) Hamilton

Dr Geoffrey Cumming

Mr Matt Sanderson

REVIEW OF OPERATIONS

STRATEGY

The Company is continuing to progress its Strategy which is focused on:

1. Realising the growth potential within the Lithium-ion battery market by completing test work to increase silicon content in graphite anodes, while driving increased energy density as well as improved cycle efficiency in Lithium-ion batteries based on the utilisation of the Company's patented AnteoCoat™ product.
2. Capitalising on the potential within the rapidly expanding market for quantitative lateral flow point of care diagnostics where the superior conjugation performance of AnteoBind™ can potentially solve difficult assay development problems commonly encountered with the use of Europium, Gold, Quantum Dots detection system.
3. Progressing near-term opportunities by:
 - Leveraging off past investment in the Company's diagnostics technology and extend the reach in the value chain of Point of Care diagnostics, utilizing superior in-house data from assays such as, Flu A/B, hCG and Troponin I where improved performance has been demonstrated.
 - Build momentum utilising agreed work plans with battery collaborators and continue to define opportunities for joint material development and commercial activities in the Lithium-ion battery sector where AnteoCoat™ has the potential to improve battery anode performance utilising either the Surface Modified Silicon or Silicon Composite approaches.

BATTERIES

Battery Team and Test Equipment

During the half year, the Company established a dedicated internal battery team to focus on progressing the battery opportunities Anteo is working on. In addition, the battery lab was upgraded to provide improved consistency of battery materials processing capabilities and to increase the capacity of battery testing results that could be generated in-house. This was a critical investment to ensure quick and efficient turnaround of results and would allow both the Silicon Surface Modification and Silicon Composite approaches to be progressed simultaneously.

DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Material Transfer Agreements

Based on the excellent results achieved by the Company's internal battery team, during the half year, the Company was able to execute Materials Transfer Agreements ("MTA") with two major companies. One being a listed European based global supplier of Battery Materials (ASX release 30 November 2018) and the other a major Asian/ Global Battery Materials and Component Manufacturer (ASX release 6 August 2018). These MTA's provided a solid foundation for battery development work that will involve the use of proprietary materials from these two global manufacturers of battery materials. In discussions with both Collaborator 1 and Collaborator 2 the Company agreed on scope of the works that will be carried out throughout the first half 2019 (image 1).

The work packages will span experimental work covering surface modified silicon and extend to initial trials to incorporate our partners proprietary silicon materials into Anteo's silicon composites. Both these MTA's build on the excellent work being done by the Anteo team to further characterise and showcase the value AnteoCoat™ when applied in both our Silicon Surface Modification and Silicon Composite approaches.

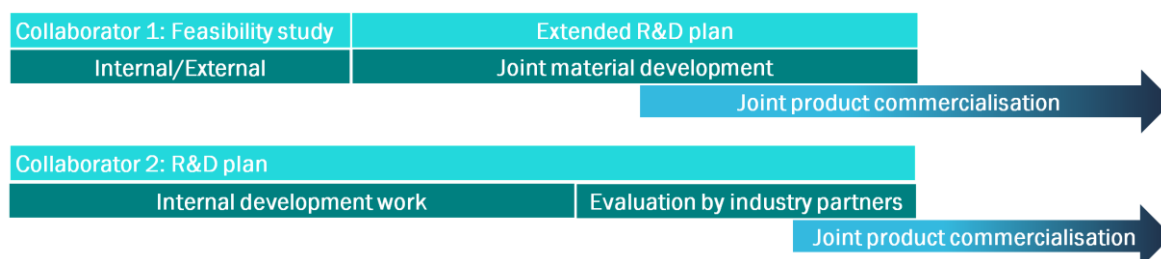


Image 1: External projects with collaborator 1 and 2 (timeline representative of an 18-month timeframe)

Anteo has received the proprietary silicon materials from its collaborators and has commenced the initial stages of material evaluation. To obtain access to state-of-the-art silicon materials was a critical objective for Anteo throughout 2018 and will help to ensure that any results created are of commercial relevance. The initial stages of material evaluation involve the creation of baseline electrodes using the new silicon materials, which will be used to communicate internal results to Anteo's partners. These initial experiments are particularly important to foster further alignment of test protocols and methodologies between Anteo and its partners.

On a business level, Anteo will focus on three key areas in 2019:

1. Continue to build Anteo's reputation on an international and national level at conferences and tradeshows to create awareness of the technology and initiate new commercial leads.
2. Convert leads by establishing new relationships with potential partners and customers to generate a market pull across the value chain and foster future technology uptake.
3. Progress relationships with existing collaborators and continue work to define opportunities for joint material development and commercialisation.

Internal Battery Test Results

Significant progress has been made by the Anteo's battery team in understanding the potential of AnteoCoat™ to the battery sector. During the latter part of the half year the team continued to place a strong emphasis on further refining and standardising processes involved in electrode fabrication, cell assembly and electrochemical testing. Similarly, Anteo's battery team has identified further process improvements in progressing the development of Anteo's silicon composites with Image 2 demonstrating the development path.

**DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**



Image 2: Internal development work (timeline representative of an 18-month timeframe)

As reported in November 2018, previous data sets demonstrated that the integration of individual silicon particles into the anode electrode network becomes progressively more challenging with an increase in the anode's silicon content. This poses a problem in the case of nano-silicon. Nano-silicon particles can offer more stable cycling performance when the anode is charged and discharged compared to micron-sized silicon, but effective integration of nano-sized particles into a micro-scale framework is challenging owing to an up to 400x difference in size of active material components (nano-silicon vs. graphite).

In this context, the tap density of particle powders can be used to describe how effectively particles can be packed into a given volume and consequently into the thickness of an electrode coating. Nano-silicon displays an extremely low tap density due to poor packing of the nano-sized particles. For an electrode coating this means that a large amount of volume is taken up by the silicon nano-particles which limits the amount of silicon that can be integrated into a conventional electrode system.

In addition, handling such low-density materials during the commercial battery slurry preparation process is difficult and makes the targeted integration of silicon into the anode structure hard to control. As a result, this can isolate silicon from the conductive network and decrease silicon utilisation yielding lower than expected cell capacities.

These issues are highlighted in Image 3 which shows the elemental analysis of the surface of a graphite anode that contains 30wt.% of nano-silicon (purple). The nano-silicon integrates poorly with the overall graphite/carbon (red) network structure by essentially creating a sea of nano-silicon around the graphite/carbon particles. This results in insufficient contact of nano-silicon with the conductive graphite/carbon and an overall poor utilisation of the electrode volume.

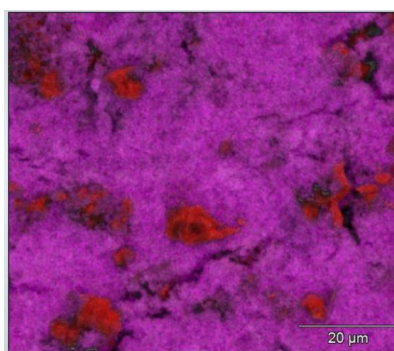


Image 3: Elemental analysis of graphite anode containing 30wt.% of nano-silicon (graphite=red; n-silicon=purple)

Anteo is seeking to overcome these challenges with its AnteoCoat™ technology to create silicon composites, which combines silicon with other components into a conductive network structure before being integrated into the graphite anode, thus eliminating the need for the integration of individual silicon particles. This also means that Anteo's composites are expected to function as a drop-in product where customers can process composites much like graphite without requiring any significant changes to their operational set-up. Recent composites developed at Anteo, have demonstrated vastly improved tap densities compared to the nano-silicon bulk material. Image 4 (left) compares the tap density of untreated nano-silicon (Vial A), a first composite (Vial B) and a second composite (Vial C) where all vials contain the same mass of silicon particles. Most notably, the composite contained in Vial C demonstrates a tenfold improvement in tap density compared to the untreated silicon in Vial A with identical silicon content. Higher tap densities allow greater energy storage through higher levels of silicon in an equivalent volume as used in conventional electrode systems.

**DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

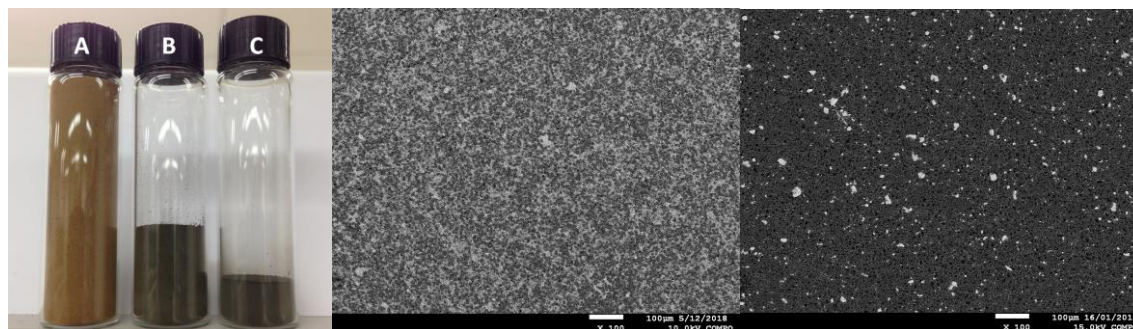


Image 4: Left image: Vial A: Untreated n-silicon with low tap density (0.07 g/cm^3); Vial B: Anteo fabricated silicon composite with improved tap density (0.3 g/cm^3); Vial C: Anteo fabricated silicon composite with further improvements in tap density (0.75 g/cm^3). Middle image: 8wt.% of untreated nano-silicon incorporated into a graphite anode. Right image: Anteo fabricated composite incorporated into a graphite anode (anode contains 8wt.% nano-silicon)

Image 4 (middle) shows a scanning electron microscope (“SEM”) image of a graphite-based anode containing 8wt.% of untreated nano-silicon. Due to the low tap density of the nano-silicon powder (light grey colour) the powder fills in all of the void spaces between the much larger graphite particles (dark grey colour).

Image 4 (right) shows a preliminary SEM image of a graphite-based anode (dark grey colour) containing 8wt.% of nano-silicon integrated into an Anteo fabricated composite (light grey colour). Due to the vast improvement in tap density the same amount of nano-silicon can be integrated into a graphite anode in a much more efficient manner leaving ample porosity and void spaces in the electrode coating.

Image 4: Left image: Vial A: Untreated n-silicon with low tap density (0.07 g/cm^3); Vial B: Anteo fabricated silicon composite with improved tap density (0.3 g/cm^3); Vial C: Anteo fabricated silicon composite with further improvements in tap density (0.75 g/cm^3). Middle image: 8wt.% of untreated nano-silicon incorporated into a graphite anode. Right image: Anteo fabricated composite incorporated into a graphite anode (anode contains 8wt.% nano-silicon)

Effectively controlling the amount of volume that silicon occupies within the anode structure will allow for a more efficient integration of silicon but is also expected to allow for higher silicon contents with the progression of Anteo’s development program. Ultimately, Anteo’s silicon composites target medium to high silicon content anodes with a silicon fraction of up to 40wt.%.

Development focus for the 1st quarter of this 2019 will focus on the following activities:

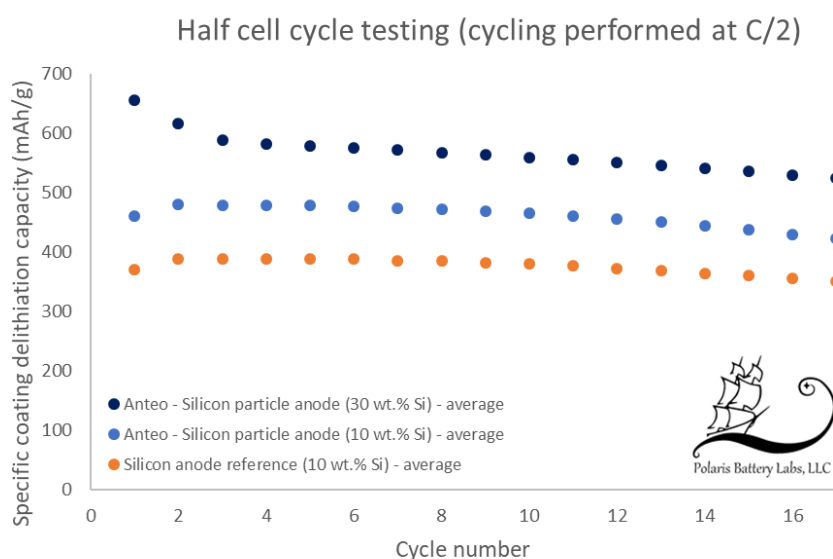
1. Complete the initial stages of material evaluation using proprietary silicon materials and align test protocols and methodologies between Anteo and partners.
2. Conduct first experiments in combining proprietary silicon with AnteoCoat™ technology.
3. Continue to refine the physical and chemical properties of Anteo fabricated silicon composites and improve the level of integration with other components in the anode coating.
4. Complete the electrochemical evaluation of a silicon composite anode meeting current market objectives

**DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

External Battery Test Results

In the first part of the half year and prior to the internal battery team being fully developed the Company commissioned Polaris Battery Labs LLC ("Polaris") to work on the evaluation of Anteo's surface modified silicon particles and findings demonstrated that:

- For a 10wt.% silicon anode, a better starting capacity was realised compared to a 10wt.% silicon anode without AnteoCoat™.
- A working 30wt.% silicon anode could be created by use of Anteo's coated silicon particles. A functional 30wt.% silicon anode could not be produced by Polaris in the absence of AnteoCoat™.



The results indicate that Anteo's surface modified silicon improved the integration of the silicon within the graphite anode structure under the test conditions used by Polaris. This resulted in an improved electrode capacity for the 10wt.% silicon anode containing AnteoCoat™ over the 10wt.% silicon reference cells. In addition, Polaris was also able to produce a 30wt.% of silicon anode using Anteo's modified silicon particles.

The data demonstrated that the integration of surface modified silicon is a useful approach when targeting a low to medium silicon content of up to 20wt.%. Beyond this point the integration of individual silicon particles with a conventional graphite anode became challenging. This can result in decreased utilisation of silicon in the anode yielding a lower than expected capacity.

To tackle this challenge, Anteo commenced work on the use of its AnteoCoat™ technology platform to create a silicon composite that would allow the incorporation of even higher levels of silicon. The composite combines silicon with other components into a conductive network structure before being integrated into the graphite anode, thus eliminating the need for the integration of individual silicon particles. This approach is focused on achieving medium to high silicon content anodes with a silicon fraction of up to 40wt.%.

First tests designed to evaluate the composite approach were carried out by Polaris. The experiments showed that Anteo's silicon/carbon composite was able to produce a working battery using an anode with a silicon content of 24wt.% demonstrating a substantial improvement in electrode capacity compared to a conventional graphite anode. Whilst initial use of silicon's capacity was in the expected range, cycle efficiency fell away faster than ideal. These results were also supported by commissioned verification work at CustomCells in Germany.

**DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

These were the key foundational results which confirmed that AnteoCoat™ could improve lithium ion battery performance and identified a high value opportunity worth pursuing which resulted the internal battery team and laboratory facilities being enhanced.

Osaka, Japan, Battery Workshop

Anteo Technologies was invited by CSIRO Global and Austrade (Australian Trade and Investment Commission) to participate in a battery workshop held in Osaka, Japan's heartland of lithium ion battery production. The workshop was held from 5 to 6 December 2018 with the objective to bring together the emerging Australian and the highly established Japanese lithium-ion battery industries to share information, ideas and create new contacts. The well-attended workshop saw 24 Japanese companies register in advance, among them industry heavyweights such as Panasonic Corporation, GS Yuasa, Sumitomo Electric Industries, Toray Industries, Toyota Central R&D Labs, UBE Maxell Corporation and Hitachi Chemical.

At the workshop, Anteo's Head of Battery Operations, Manuel Wieser, gave a presentation on Anteo's work in the battery space and the company's unique approach to creating higher silicon content anodes. Anteo's technology attracted considerable attention from Japanese industry representatives, which led to several questions and follow-on conversations reflecting the audiences' positive level of interest and engagement. Anteo had previously met with some of the Japanese companies in attendance and the workshop provided an excellent opportunity to update interested parties on the most recent advances.

Attending the workshop also allowed Anteo to connect with Australian businesses operating in the lithium-ion battery industry including companies focused on mineral processing, the production of cathode active materials and various research institutions. In the coming months, Anteo will progress newly-created leads to establish further national and international collaborations focused on the development of higher silicon content anodes enabled by Anteo's technology.

IN VITRO DIAGNOSTICS AND POINT OF CARE

Marketing of AnteoBind™

The Company continued to focus on the use AnteoBind™ to enhance the capability of Point of Care ("PoC") devices, in particular those using lateral flow-based immunoassays ("LFIA").

In the first part of the half year the Company developed a validation data package demonstrating the improvements AnteoBind™ can deliver if incorporated in fully commercialized Lateral Flow assays.

The Data package was showcased at a number of industry conferences being:

- the American Association Clinical Chemistry ("AACC") Expo, the world's largest gathering of clinical laboratory professionals and product development specialists,
- the Merck IVD conference in Paris, and
- the Advanced Lateral Flow Course ("ALFC") in San Diego (USA) co-hosted by Diagnostics Network (DCN) and QIAGEN.

The response to this data package during our interactions with attendees at these meetings and with subsequent communications with other potential customers has been extremely encouraging. In addition, the Company has confirmed that there is an increasing level of interest from the market in the "ready-to-use" AnteoBind™ Particle Conjugation Kits. This has certainly been driven by a focus on the development of "quantitative" (providing a numeric, more accurate result vs the traditional positive (+) or negative (-) result) PoC assays for critical applications such as Cardiac (Troponin) or Infectious Disease testing (Flu or HIV).

DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Distribution Agreement with Major China Based Diagnostic Company

In December 2018, the Company entered into a distribution agreement with China based Shanghai GeneoDx Biotechnology Co. Ltd ("**GeneoDx**") (ASX Release 13 December 2018) which is an affiliated company of China National Pharmaceutical Group (SINOPHARM). This agreement provides immediate access to an extremely large and rapidly growing PoC market and provides, through GeneoDx, access to a vibrant and diverse PoC manufacturing sector eager to embrace new technology and incorporate product enhancing components, such as AnteoBind™ into their POC system development programs. This in turn, will provide Anteo with an important opportunity to ensure the range of AnteoBind™ products, particularly the new Particle Conjugation Kits, are incorporated into commercially approved PoC systems for release and use in China, and potentially Global PoC markets.

Anteo has been working closely with GeneoDx to prepare for the comprehensive training program and initial promotional campaign launch planned for Quarter 1 2019. During this time, key Anteo Research & Development and Product Support staff will travel to China to conduct the planned product training, visit a select number of prospective major Chinese customers, provide an initial overview of the Anteo product range, particularly the new Particle Conjugation kits, and discuss the PoC projects being undertaken by those customers.

After a review of the market-based feedback from these initial customer interactions GeneoDx, again with Anteo's in-market support, will then undertake a full-scale countrywide product launch canvassing a broad base of prospective customers with the aim of confirming an agreed number of early evaluators of Anteo's products and to establish a final business plan for the next calendar year.

Other PoC Initiatives

During our ongoing interactions with customers from around the world, we have confirmed that a significant number of PoC assay and system developers continue to be interested in the use of Gold nanoparticles. These particles can be difficult to handle and may give variable performance during the assay development process so Anteo continues to actively progress the development of these AnteoBind™ activated gold particle kits.

Given this situation, Anteo reinvigorated its relationship with IMRA to complete the development of a "ready-to-use" Gold Conjugation Kit. The Company has been progressing this development process and is pleased to report that all technical performance elements have been satisfactorily completed. The remaining aspects of manufacturing process, temperature stability, transportation parameters, and kit packaging format are now being finalised and we expect a potential launch of a prototype kit to the market later this year. While we are well advanced on our IMRA Gold Particle Conjugation Kit we are also exploring opportunities with other gold particle suppliers who are interested in enhancing their particles with the AnteoBind™ technology.

Based on the solid market interest in ready-to-use, AnteoBind™ activated gold particles, Anteo is planning to add these, and other new gold particle kits, to the range of AnteoBind™ Particle Conjugation Kits we have already developed to create a "suite" of enhanced particle conjugation kits to cater to all opportunities we will encounter as we push into the markets and interact with an increasing number of PoC assay developers.

The Company was greatly encouraged by Ellume's success during the half year in securing a significant partnership with global healthcare group GlaxoSmithKline ("GSK") focused on improving respiratory care. The integration of the Anteo technology into PoC systems, similar to those being developed by partners such as Ellume, demonstrates the importance of the supporting role Anteo is playing by supplying valuable components that then enable superior performance of diagnostic systems. Anteo has enjoyed a positive and collaborative R&D partnership with Ellume since 2016 and the Company looks forward to continuing to assist Ellume as it develops further and establishes more such partnerships.

DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Finally, Anteo was a collaborating partner in the Defence Materials Technology Centre ("DMTC")/ Medical Countermeasures ("MCM") project team which won a National Innovation Award at the international Land Forces 2018 Exposition in Adelaide. The project was for development of a field-deployable, handheld diagnostic device which will enable medical professionals to rapidly identify and treat life-threatening diseases through a diagnostic system that can detect and differentiate between multiple infectious disease agents within a single test cartridge at the point of care. Lumos Diagnostics (a wholly-owned subsidiary of medical technology firm Planet Innovation), Anteo and research partner Deakin University were the collaborating partners on the project.

MEDICAL TECHNOLOGY

No further changes are reported in this area. The Company continues to explore cost effective options to realise the value of its AnteoRelease™ technology.

APPOINTMENT OF CHIEF EXECUTIVE OFFICER

Mr. Christopher Parker agreed to extend his contract as Chief Executive Officer until 30 June 2019 to provide continuity to the business as the Company progresses its development strategy in the battery and diagnostics sectors.

RESULT FOR THE PERIOD

The consolidated net loss after tax for the half-year ending 31 December 2018 was \$1,605,506 compared with a loss of \$2,832,638 in the same period last year. The reduction in losses for the half year are primarily due to:

- reduced occupancy expenses of \$72,219 due to a reduction in office space,
- reduced administration expenses of \$648,533 due to the previous year including consulting and legal costs in relation to the sale of the Company's subsidiary DIAsource Immunoassays SA,
- reduction in borrowing costs of \$566,302 due to a payout of a loan in August 2017,
- an increase in other income of \$110,823 mainly due to an R&D grant receivable in 2018, and
- offset by an increase in R&D expenditure of \$214,177 due to the ramp of activity in pursuing the Battery opportunity.

As at 31 December 2018, the Company held cash and deposits of \$2,300,895 (30 June 2018: \$3,328,684).

DIVIDENDS

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

EVENTS SUBSEQUENT TO REPORTING DATE

There were no significant events subsequent to the reporting date.

DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

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 25 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

A handwritten signature in black ink, consisting of a stylized 'J' followed by a horizontal line and a small flourish at the end.

John (Jack) Hamilton
Chairman
27 February 2019

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

		31 December 2018	31 December 2017
	Note	\$	\$
Sales revenue		83,343	140,175
Other income	2	133,975	23,152
Total revenue		<u>217,318</u>	<u>163,327</u>
Selling, distribution and business development expenses		74,252	81,142
Occupancy expenses		145,517	217,736
Administration expenses	2	455,099	1,103,632
Borrowing costs		-	566,302
Research and development expenses		1,009,538	795,361
Share based payments expense		<u>138,418</u>	<u>197,452</u>
(Loss) before income tax		(1,605,506)	(2,798,298)
Income tax expense		<u>-</u>	<u>-</u>
(Loss) for the half year from continuing operations		(1,605,506)	(2,798,298)
Profit/(loss) for the half year from discontinued operations		<u>-</u>	<u>(34,340)</u>
(Loss) for the half year		(1,605,506)	(2,832,638)
Other comprehensive income			
<i>Items that may be reclassified to the profit or loss:</i>			
Exchange difference on translating discontinued operations		<u>-</u>	<u>380,560</u>
Total comprehensive income (loss)		<u>(1,605,506)</u>	<u>(2,452,078)</u>
Earnings per share			
Basic and diluted earnings per share (cents per share)			
- earnings from continued operations		(0.14)	(0.24)
- earnings from discontinued operations		<u>(0.00)</u>	<u>(0.00)</u>
		(0.14)	(0.24)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Note	31 December 2018 \$	30 June 2018 \$
CURRENT ASSETS			
Cash and cash equivalents		2,300,895	3,328,684
Trade and other receivables	5	192,159	793,997
Other		101,077	68,700
TOTAL CURRENT ASSETS		2,594,131	4,191,381
NON-CURRENT ASSETS			
Property, plant and equipment		388,755	279,103
TOTAL NON-CURRENT ASSETS		388,755	279,103
TOTAL ASSETS		2,982,886	4,470,484
CURRENT LIABILITIES			
Trade and other payables		184,275	281,219
Provisions		91,072	169,178
TOTAL CURRENT LIABILITIES		275,347	450,397
NON-CURRENT LIABILITIES			
Provisions		172,279	17,739
TOTAL NON-CURRENT LIABILITIES		172,279	17,739
TOTAL LIABILITIES		447,626	468,136
NET ASSETS		2,535,260	4,002,348
EQUITY			
Contributed equity	6	59,180,800	59,061,800
Share based payment reserve	6	19,418	787,845
Foreign exchange reserve		-	-
Accumulated losses		(56,664,958)	(55,847,297)
TOTAL EQUITY		2,535,260	4,002,348

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 2018

	Ordinary Shares	Share based payments	Accumulated Losses	Foreign Exchange	Total
	\$	\$	\$	\$	\$
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 in capacity as owners	-	-	(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
Balance at 1 July 2018	59,061,800	787,845	(55,847,297)	-	4,002,348
Issued during the period	119,000	19,418	-	-	138,418
Options lapsed for the period	-	(787,845)	787,845	-	-
Losses attributable to members of the parent entity in capacity as owners	-	-	(1,605,506)	-	(1,605,506)
Other comprehensive income	-	-	-	-	-
Transfer of foreign exchange reserve	-	-	-	-	-
Balance at 31 December 2018	59,180,800	19,418	(56,664,958)	-	2,535,260

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	31 December 2018 \$	31 December 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	72,584	3,892,665
Receipts from government grants and rebates	744,868	77,232
Payments to suppliers and employees	(1,793,489)	(6,255,691)
Borrowing costs	-	(687,469)
Interest received	6,105	11,900
Net cash (used in) operating activities	<u>(969,932)</u>	<u>(2,961,363)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for property, plant and equipment	(57,857)	(178,106)
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	<u>(57,857)</u>	<u>21,305,918</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Capital raising costs	-	(170,000)
Proceeds from share issues	-	-
Proceeds from borrowings	-	231,454
Repayment of borrowings	-	(16,077,221)
Net cash (used in) provided by financing activities	<u>-</u>	<u>(16,015,767)</u>
Net increase (decrease) increase in cash held	(1,027,789)	2,328,788
Opening cash brought forward (including cash in assets and disposal group classified as held for sale)	3,328,684	2,573,666
Foreign exchange effect	-	16,208
Closing cash carried forward	<u>2,300,895</u>	<u>4,918,662</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

1. Summary of accounting policies

Bases of Preparation

These consolidated interim financial statements as at and for the six months ended 31 December 2018 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.

Anteo Diagnostics Limited (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 2018 and any public announcements made by Anteo Diagnostics Limited 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 2018. 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 2018.

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.

Disposal of subsidiary DIASource Immunoassay SA.

During the half-year period ending 31 December 2017 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 and more fully in the Annual Report in note 24.

Going concern

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

As disclosed in the financial statements, the Group has at 31 December 2018 cash and cash equivalents of \$2,300,895 (30 June 2018: \$3,328,684). The Group also generated a loss after tax of \$1,605,506 (2017: \$2,832,638) and cash outflows from operating activities of \$969,932 (2017: \$2,961,363).

The ability of the Group to continue as a going concern is principally dependent upon one or more of the following conditions:

- The ability of the Group to raise sufficient capital as and when necessary; and
- The successful commercialisation of its intellectual property in a manner that generates sufficient operating cash inflows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

1. Summary of accounting policies (continued)

Going concern (continued)

These conditions give rise to a material uncertainty, which may cast significant doubt over the Group's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to recent history of raising capital and the progress made on exploiting its intellectual property.

In the event that the Group encounters any difficulties in raising capital the Board of Directors will seek to scale back activities in order to preserve cash.

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 report. 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 and interpretation adopted for the first time

The Group applies, for the first time, AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers. The adoption of these new and revised Standards and Interpretations did not have any material impact on the amounts recognised in the financial statements of the group for the current or prior periods. However, the accounting policies have changed from that disclosed in the 30 June 2018 financial statements. The new accounting policies for the group adopted for the first time in these financial statements are:

AASB 15 Revenue from Contracts with Customers

AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The adoption of AASB 15 has not impacted the amounts disclosed within the financial statements.

The Group is a surface chemistry company with Intellectual Property ("IP") in its core technology product groups: AnteoCoat™, AnteoBind™ and AnteoRelease™. The Company's purpose is to create shareholder value by identifying and solving important global industry problems and providing unique value-add solutions for its customers. Anteo's customers operate in the Life Sciences, Diagnostics, Energy and Medical Devices markets.

The major sources of income are from product sales of its surface modification kits including its Mix and Go products.

Revenue from the sale of goods is recognised when the group sells a product to the customer. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location or alternatively is collect on site, the risk of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance has been satisfied.

Variable Consideration and Warranties

Contracts do not provide for discounts or rebates which give rise to variable consideration. Neither do they contain provision for extended warranties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

1. Summary of accounting policies (continued)

New and amended standards and interpretation adopted for the first time (continued)

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The adoption of this standard has not impacted the amounts disclosed in these financial statements.

(a) Classification and Measurement

Except for certain trade receivables, under AASB 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under AASB 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The new classification and measurement of the Group's debt financial assets are, as follows:

Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion.

This category includes the Group's Trade and other receivables.

The assessment of the Group's business models was made as of the date of initial application, 1 July 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets. There has been no adjustment made to the amounts disclosed as a result of the application of this standard.

The accounting for the Group's financial liabilities remains largely the same as it was under AASB 139.

Under AASB 9, embedded derivatives are no longer separated from a host of financial assets when determining whether cash flows are solely payments of principal and interest. Instead, financial assets are classified based on their contractual terms and the Group's business model.

The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed from that required by AASB 139.

(b) Impairment

The adoption of AASB 9 has altered the Group's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

AASB 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

1. Summary of accounting policies (continued)

New and amended standards and interpretation adopted for the first time (continued)

AASB 9 Financial Instruments (continued)

For Contract assets and Trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The adoption of the ECL requirements of AASB 9 has not resulted in any material change in impairment allowances of the Group's debt financial assets.

(c) Hedge Accounting

The Group doesn't enter into any hedging arrangements.

Due to the short-term nature of financial assets and financial liabilities their carrying amounts approximates their fair value.

2. Results for the Half-year

	31 December 2018	31 December 2017
	\$	\$
The loss before income tax expense has been determined after:		
Depreciation of non-current assets:		
Plant and equipment	(91,416)	(72,482)
Total depreciation of non-current assets	<u>(91,416)</u>	<u>(72,482)</u>
Staff remuneration		
Salaries	(685,712)	(755,824)
Superannuation	(42,333)	(52,847)
Share based payments	<u>(138,418)</u>	<u>(197,452)</u>
	<u>(866,463)</u>	<u>(1,006,123)</u>
Other income		
R&D tax concession rebate and grants	126,070	-
Rent and other	1,800	14,222
Interest – other corporations	<u>6,105</u>	<u>8,930</u>
	<u>133,975</u>	<u>23,152</u>
Other expenses from ordinary activities		
Operating lease rentals	<u>(112,925)</u>	<u>(179,652)</u>
	<u>(112,925)</u>	<u>(179,652)</u>
Transactions costs on the sale of Diasource included in administration costs	-	(598,671)
	<u>-</u>	<u>(598,671)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

3. Segment reporting

Since the sale of DiaSource in the 2018 financial year 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.

The financial information contained below relates to the comparative financial information where it was determined that two operating segments previously existed prior to the sale of DiaSource on 31 August 2017.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

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 – Laboratori 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 subsidiaries 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
	\$
Sales revenue	3,571,124
Cost of sales	(2,056,839)
Other income	80,480
Selling and distribution expenses	(475,290)
Occupancy expenses	-
Administration expenses	(691,843)
Borrowing expenses	(155,940)
Research expenses	(267,650)
Income tax benefit (expense)	19,018
Profit/(loss) from the disposal group	<u>23,060</u>

5. Trade and other receivables

	31 December 2018	30 June 2018
	\$	\$
Current		
Trade debtors	14,819	4,060
Provision for impairment of receivables	-	-
Trade debtors net	<u>14,819</u>	<u>4,060</u>
Research and development tax offset receivable	126,070	744,892
Other debtors	51,270	45,045
Total	<u>192,159</u>	<u>793,997</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

6. Contributed equity and reserves

	Number	\$
6 (a). Contributed equity ordinary shares		
At 1 July 2018	1,152,756,577	59,061,800
Issue of shares	7,000,000	119,000
At 31 December 2018	1,159,756,577	59,180,800

6 (b). Share options

	\$
At 1 July 2018	787,845
Options expensed	19,418
Lapsed options	(787,845)
Exercised options	-
At 31 December 2018	19,418

7. Events Subsequent to Reporting Date

There were no events subsequent to the reporting date.

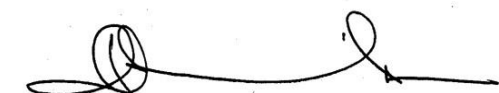
DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

In the opinion of the directors:

- a. the consolidated financial statements and notes of Anteo Diagnostics Limited set out on pages 13 to 23 are in accordance with the Corporations Act 2001, including
 - i. giving a true and fair view of its financial position as at 31 December 2018 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, consisting of a stylized 'J' followed by a long horizontal stroke that ends in a small upward flick.

John (Jack) Hamilton
Chairman

Dated 27th February 2019

AUDITOR'S INDEPENDENCE DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2018



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DECLARATION OF INDEPENDENCE BY C R JENKINS TO THE DIRECTORS OF ANTEO DIAGNOSTICS LIMITED

As lead auditor for the review of Anteo Diagnostics Limited for the half-year ended 31 December 2018, 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 Anteo Diagnostics Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'C R Jenkins', with a stylized flourish at the end.

C R Jenkins
Director

BDO Audit Pty Ltd

Brisbane, 27 February 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Anteo Diagnostics Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the 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 2018, 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 2018 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 the *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 2018 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



C R Jenkins
Director

Brisbane, 27 February 2019