

ACTIVITIES REPORT – QUARTER ENDED 30 JUNE 2017

HIGHLIGHTS FROM THE JUNE QUARTER

- Consistent sales performance for DIAsource. Overall growth for the last 12 was 9%.
- DIAsource to attend the AACC meeting at end of July 2017 and showcase its new generation Vitamin D assay.
- Anteo Technologies met milestones and deliverables in collaborative projects.
- Anteo Technologies is negotiating distribution agreements for China.
- Finalisation of Earn Out Liability to DIAsource vendors and extension of time for payment to 2 October 2017.
- Appointment of Alan Studley, Non-Executive Independent Director.

1. DIAsource Update

Sales Performance

DIAsource recorded sales of €3,984k for Q2-2017, 2% below the same period in 2016. This is largely due to timing of orders from some major accounts for Vitamin D assays and the large Egyptian customer. Base sales from all other accounts grew by 6% vs the same period last year. This illustrates the Company's strong commercial position in the markets that we serve.

Some major Vitamin D accounts had built considerable stock levels by the end of CY 2016 and have not re-ordered products yet. Further orders from these accounts are expected from Q3-2017 onwards.

Orders for the large Egyptian tender are slower than anticipated. No orders for this tender have been received in 2017 and the next order is expected in H2-2017. The uncertainty around the timing and magnitude of orders from this customer under tender is challenging to forecast.

Total revenue was €16,151k for the year ended 30 June 2017. This represents a 9% growth over the previous corresponding year. Growth was strongest in the Vitamin D product line (+ 29%).

Commercial Development

DIAsource will participate in the upcoming 69th AACC Annual Scientific Meeting & Clinical Lab Expo AACC, from July 30 to August 3, for the 17th consecutive time. DIAsource will highlight its Free Vitamin D ELISA assay through a session entitled "Measurement of Free Vitamin D in the Clinical Laboratory". Dr. Nicolas Heurreux

will discuss the clinical utility of this new generation Vitamin D assay with a panel of academic and industry experts. Besides this session the Free Vitamin D ELISA, along with other company products such as Zika virus assay and the recently launched TORCH panel, will feature on the DIAsource booth.

Process Improvements

The continuous improvement program in the supply chain has progressed further. In order to facilitate future growth and margin improvements through greater efficiency, the implementation of a new ERP system is underway to be operational in 2018. This strategic project is also linked to the adoption of the new ISO standards.

2. Anteo Technologies Update

Assay Development, Conjugates and Reagents

Partnerships to improve the performance of Point of Care (PoC) platforms (e.g. lateral flow or microfluidic) through integration of our nanotechnologies with our partners' complementary capabilities/technologies is a mechanism to both achieve better clinical diagnostic outcomes and to spread the awareness of Anteo technologies more broadly.

The Atomo project for the development of a functional working prototype for cTnI lateral flow strips was completed successfully. This outcome will be used by the two stakeholders to determine next steps toward commercialisation.

The MCM project in partnership with Planet Innovation (PI), Deakin University and the Defence Materials Technology Centre (DMTC) completed Milestone 3 successfully in which Anteo technology has generated a lower LoD of biomarkers than the third party assay benchmark.

Anteo Technologies continued to sell conjugates such as streptavidin-coupled magnetic particles and as well Mix&Go activated particles and activation kits for Life Science and IVD applications. Awareness of Anteo technology is growing. There are now 10 peer-reviewed publications citing use of Mix&Go products or related metal-complex based technology..

Currently, we are in discussions with well-established groups in pharmaceutical and biotechnology sectors that have indicated an interest in becoming distributors in China. All have a broad industrial network and market access. We expect to appoint distributors to promote Anteo technology & sell products in the fast-growing Chinese IVD and Life Science market.

Medical Devices

Anteo's nanotechnology based binders and coatings can be utilised in other applications.

Anteo has completed the first set of deliverables in a verification study with Cook Medical. Cook is testing these products and the results they produce will determine next steps in this project. Anteo continues to explore the use of Mix&Go for functional heparin coating and the control release of biological active materials from synthetic materials.

Batteries

Anteo is further characterising the effect of Mix&Go water-based metal polymers on various aspects of lithium ion batteries. The objectives for the individual areas of examination are to produce:

- 1) a stronger coating on Si particles,
- 2) an improved synthetic binder for electrode composite,
- 3) an improved conductive interface on the current collector;

and to determine how they combine together to improve battery performance.

The results of these activities are necessary to commercially engage at different levels with battery component suppliers and partners in order to undertake commercial feasibility studies using their proprietary active electrode materials.

3. Corporate Update

At the end of the quarter Anteo had €1.731 m on hand.

At the beginning of April 2017, Anteo secured just over \$1million via short term loans from shareholders, the CEO and Board members. In conjunction with the loan funds, the Company has also secured an extension of the Earn Out Liability that will see payment by 2 October 2017.

On the 18 April 2017, the Company completed the Earn Out review and has agreed with the DIAsource Vendors that the Earn Out amount will be €4.322 million. The Vendors have also agreed to an extension of the Earn Out payment to the 2 October 2017. In granting this extension the Vendors requested and were granted a reduction in the equity component of the Earn Out Payment. The equity component has been reduced from 20% to 5%.

On the 16 May 2017, Anteo appointed of Mr Alan Studley as a Non-Executive Independent Director. He has accepted the role as Chair of the Audit and Risk Committee. Mr Studley has held various senior management roles in his career and has more than 30 years experience as a director of public, private and not-for-profit organisations spanning a diverse range of industries.

During the quarter, no shares were issued by the Company. Anteo issued a further 32,200,000 unlisted options as part of the Shareholder Loan Agreement and cancelled 2,000,000 that had lapsed, bringing the total number of options on hand at the end of the quarter to 67.5m unlisted options.

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

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

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

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

For more information, please visit www.anteodx.com