

30 June 2017 Preliminary Financial Statements

1 September 2017

Financial Summary

Anteo Diagnostics Limited (ASX: ADO) (**Anteo** or **Company**) presents its 30 June 2017 preliminary financial statements.

Anteo has today announced that it has signed an unconditional agreement to sell 100% of the shares of its wholly owned subsidiary DIAsource ImmunoAssays SA (**DIAsource**) for €15,873,000. The sale is expected to be settled on or around 5 September 2017.

Due to the sale of the DIAsource business the Company's 2017 preliminary financial statements classify the assets and liabilities of DIAsource and its subsidiaries as a disposal group. Consequently the assets and liabilities relating to DIAsource are shown as single line items in the statement of financial position. Revenues, expenses, gains and losses of DIAsource are shown as a single line item, "loss from discontinued operations" in the statement of profit or loss and other comprehensive income.

The DIAsource business has been valued as at the 30 June 2017 at fair value being the sales price of DIAsource less the costs to sell. This is reflected in the held for sale assets with an adjustment to intangible assets within the DIAsource business which results in the net assets and liabilities held for sale being valued at €15,284,001 (being assets held for sale of €27,403,059 and liabilities held for sale of €12,119,058). Further information and the accounting treatment are provided in the supplementary information of this Schedule 4E under "Assets and disposal groups classified as held for sale".

The 40% drop in revenue to €284,100 (2016: €475,241) on the prior year reflects the change in revenues for the Australian operations being the Anteo Technology business.

The loss of €3,233,781 (2016: loss €4,638,365) from continued operations shows the loss from Australian operations and head office activities. The 30% improvement on prior year reflects significant reductions in research and development, administration and selling and distribution expenses. As part of the Sale of DIAsource the Company has advised that it intends to repay all its loans, hence, future borrowing costs and earn out adjustments are likely to be reduced in the 2018 financial year by €1.4 million.

The loss from discontinued operations of €2,436,712 (2016: profit of €639,676) includes an after tax impairment of €4,717,052 of the DIAsource business. Net profit of the DIAsource business was €2,280,340 (2016: €639,675) for this financial year with the improvement partially due to a full years trading of the DIAsource business as opposed to six months trading last financial year and improved performance of the DIAsource business for the year. More information is provided in the detailed supplementary information in this Appendix 4E.

The preliminary financial statements are unaudited due to timing of the sale of DIAsource which prevented the audit process from being completed at the time of this announcement.

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.

For more information, please visit www.anteodx.com



Anteo Diagnostics Limited

ABN 75 070 028 625

Appendix 4E, Preliminary Final Report

Results for announcement to the market

This preliminary final report is based on unaudited accounts

An Audit Report will be contained within the Company's 2017 Annual Report when issued

Current Reporting Period

Previous Reporting Period

Year ended 30 June 2017

Year ended 30 June 2016

	up/down			€
Revenue from continued operations	down	-40%	to	284,100
Loss from continued operations after tax attributable to members	down	-30%	to	(3,233,781)
Loss after tax attributable to members	up	42%	to	(5,670,493)

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

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

Record date for determining entitlements to the dividend

Not Applicable

Retained earnings

Year ended
30 June 2017

Year ended
30 June 2016

	€	€
Accumulated losses at the beginning of the financial year	(29,357,753)	(25,570,584)
Transfer from the share option reserve	96,208	211,520
Net loss for the year	(5,670,493)	(3,998,689)
	<u>(34,932,038)</u>	<u>(29,357,753)</u>

Net tangible assets

As at
30 June 2017

As at
30 June 2016

Net tangible asset backing per ordinary share (Euro Cents)	0.40	0.45
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Appendix 4E, Preliminary Final Report

Consolidated statement of profit or loss and other comprehensive Income

	Year ended 30 June 2017 €	Year ended 30 June 2016 €
Sales	284,100	475,241
Other income	1,471,366	1,186,385
Cost of sales	-	0
Total revenue and other income	1,755,466	1,661,626
Selling and distribution expenses	(232,848)	(1,065,955)
Occupancy expenses	(302,787)	(222,089)
Administration expenses	(1,333,736)	(2,238,417)
Borrowing costs	(957,294)	(340,926)
Research and development expenses	(1,141,161)	(2,396,014)
Share based payments	(144,818)	(36,590)
Earn out adjustment	(876,603)	-
Loss from ordinary activities before income tax benefit	(3,233,781)	(4,638,365)
Income tax benefit relating to ordinary activities	-	-
Loss for the year from continuing operations	(3,233,781)	(4,638,365)
(Loss)/Profit for the year from discontinued operations	(2,436,712)	639,676
Loss for the year	(5,670,493)	(3,998,689)
Other comprehensive income		
Exchange difference on translating Australian Operations	357,972	(330,091)
Total other comprehensive income for the period net of tax	357,972	(330,091)
Total comprehensive income/(loss) for the year	(5,312,521)	(4,328,780)
Earnings per share		
Basic earnings per share		
- earnings from continuing operations (Euro cents)	(0.29)	(0.49)
- earnings from discontinuing operations (Euro cents)	(0.22)	0.07
	(0.51)	(0.42)
Diluted earnings per share		
- earnings from continuing operations (Euro cents)	(0.29)	(0.49)
- earnings from discontinuing operations (Euro cents)	(0.22)	0.07
	(0.51)	(0.42)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS and diluted EPS	1,122,086,476	948,549,980



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Appendix 4E, Preliminary Final Report

Notes to the Income Statement

1	Analysis of Revenues	Year ended 30 June 2017 €	Year ended 30 June 2016 €
	Revenues from operating activities (continuing operations)		
	Sale of goods and services	284,100	475,241
	Other Income (continuing operations)		
	R&D tax concession	1,425,972	1,013,729
	Rent and Other	41,018	38,434
	Interest	4,376	19,222
	Other revenue from non-operating activities	-	115,000
		1,471,366	1,186,385
	Total Revenue and other income from continuing operations	1,755,466	1,661,626
2	Net revenue / (expense) since the beginning of the reporting period resulting from deductions from the carrying amounts of assets		
	Depreciation of non current assets	130,014	149,185
	Sale on Non-Current Assets	-	(33)
	Loss on non-current assets written off	-	1,948
		130,014	151,100
3	Large and unusual items included in the stated loss from ordinary activities		
	Charging as an expense to profit and loss		
	Impairment of financial assets	-	-
	Impairment of goodwill	-	-
		-	-

Appendix 4E, Preliminary Final Report

Consolidated statement of financial position

	As at 30 June 2017 €	As at 30 June 2016 €
CURRENT ASSETS		
Cash assets	642,474	1,519,532
Trade and other receivables	91,048	60,110
Inventories	-	-
Other	10,101	72,017
Assets and disposal group classified as held for sale	27,403,059	33,222,605
TOTAL CURRENT ASSETS	28,146,682	34,874,264
NON-CURRENT ASSETS		
Property, plant and equipment	256,383	361,773
Financial Assets	5,209	-
Intangible Assets	8,893,903	-
TOTAL NON-CURRENT ASSETS	256,383	361,773
TOTAL ASSETS	28,403,065	35,236,037
CURRENT LIABILITIES		
Trade and other payables	339,042	249,678
Financial liabilities	10,873,382	5,370,398
Provisions	152,315	170,843
Liabilities included in the disposal group for sale	12,119,058	14,579,756
TOTAL CURRENT LIABILITIES	23,483,797	20,370,675
NON-CURRENT LIABILITIES		
Financial liabilities	-	5,516,303
Provisions	24,217	33,673
TOTAL NON-CURRENT LIABILITIES	24,217	5,549,976
TOTAL LIABILITIES	23,508,014	25,920,651
NET ASSETS	4,895,051	9,315,386
EQUITY		
Contributed equity	38,944,773	36,961,415
Convertible notes	-	1,370,672
Option Reserve	685,045	501,753
Foreign Exchange Reserve	197,271	(160,701)
Accumulated losses	(34,932,038)	(29,357,753)
TOTAL EQUITY	4,895,051	9,315,386

1. This is the total of the vendor loan provided to acquire DIAsource, the earn out amount owing to vendors of Diasource and loans from shareholders and directors. It is the intention of the board to repay these outstanding amounts as part of the sale of DIAsource.



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Appendix 4E, Preliminary Final Report

Consolidated statement of cash flows

	Year ended 30 June 2017 €	Year ended 30 June 2016 €
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and grants	1,425,795	1,486,994
Payments to suppliers and employees	(1,304,132)	(4,641,747)
Borrowing costs	(863,645)	(63,550)
Interest received	4,712	16,657
Net cash (used in)/from discontinued operations	159,562	(1,600,818)
Net cash (used in) operating activities	(577,708)	(4,802,464)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for non-current assets	-	(62,028)
Acquisition of subsidiary net of cash	-	(5,293,452)
Payment for property, plant and equipment	(621,430)	(477,536)
Net cash (used in) investing activities	(621,430)	(5,833,016)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from share issues	154,687	8,363,413
Proceeds from borrowings and finance leases	1,607,924	561,080
Repayment of borrowings and finance leases	(1,954,451)	-
Capital raising costs	-	(382,255)
Proceeds from issue of converting notes	457,999	1,370,672
Net cash (used in) provided by financing activities	266,159	9,912,910
Net increase (decrease) increase in cash held	(932,979)	(722,570)
Opening cash brought forward (including cash in assets held for sale)	2,522,170	3,574,829
Exchange Rate Adjustments	142,886	(330,090)
Cash in assets held for sale	(1,089,603)	(1,002,637)
Cash at end of year	642,474	1,519,532
Reconciliation of cash.	As at 30 June 2017 €	As at 30 June 2016 €
Cash on hand	883	1,201
Cash at bank	641,591	1,439,283
Deposit at call	-	79,048
	642,474	1,519,532

Appendix 4E, Preliminary Final Report

Supplementary information

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

The group has a signed agreement in place for the sale of subsidiary DiaSource Immunoassays AG ("DIAsource"). The details of this transaction and its implications for the group were announced on 31 August 2017. The sale price is Euro 15,873,000. Disposal costs have been estimated to be Euro 480,000.

The assets and liabilities allocable to DIAsource and its subsidiaries are classified as a disposal group and are classified in the statement of financial position as single line items at year end. The prior year comparatives have been restated accordingly. Revenue and expenses, gains and losses relating to the disposal group have been eliminated from the statement of 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. The prior year comparatives have been restated in accordance with this treatment.

The detail for the loss from discontinued operations is as follows:

	Year ended 30 June 2017 €	Year ended 30 June 2016 €
Sales revenue	16,194,944	7,866,621
Cost of sales	(7,951,712)	(4,067,367)
Other income	969,019	201,435
Selling and distribution expenses	(1,935,254)	(1,055,511)
Occupancy expenses	(905,443)	(444,822)
Administrative expenses	(2,955,606)	(1,416,867)
Borrowing costs	(531,832)	(191,302)
Research expenses	(464,056)	(298,073)
Income tax benefit	(139,720)	45,561
Profit for the year	<u>2,280,340</u>	<u>639,675</u>
Gain / (loss) on remeasurement:		
- loss before tax on measurement to fair value less estimated costs to sell	(7,147,049)	-
- tax income /(expense)	2,429,997	-
Total gain / (loss) from discontinued operations	<u>(2,436,712)</u>	<u>639,675</u>

Supplementary information (continued)

Assets and disposal groups classified as held for sale and discontinued operations (continued)

The carrying amounts of assets and liabilities in this disposal group are summarised as follows.

	As at 30 June 2017 €	As at 30 June 2016 €
Current Assets		
Cash and cash equivalents	1,089,603	1,002,637
Trade and other receivables	5,647,719	4,907,672
Inventory	4,041,791	3,400,838
Non Current Assets		
Property, plant and equipment	14,648,688	15,012,346
Intangible assets	1,788,810	8,893,903
Other financial assets	5,209	5,209
Deferred Tax Asset	181,239	-
Assets classified as held for sale	<u>27,403,059</u>	<u>33,222,605</u>
Current Liabilities		
Trade and other payables	2,809,756	2,908,787
Financial liabilities	3,168,928	2,176,913
Provisions	684,132	633,527
Non Current Liabilities		
Financial liabilities	3,686,175	4,591,537
Provisions	114,315	-
Deferred tax liability	1,655,752	4,268,992
Liabilities classified as held for sale	<u>12,119,058</u>	<u>14,579,756</u>

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

Operating activities	159,562	(1,600,819)
Investing Activities	(621,431)	(175,921)