

ASX Announcement

30 April 2020

AnteoTech expands collaboration networks and executes on key short term commercialisation initiatives

Highlights

- **Successful Rights Issue completed**
- **AnteoTech Granted Key US Battery Patent**
- **Merck discussions focus on initial OEM model for speed to market**
- **Energy program collaboration expansion formalised**
- **Second generation Silicon Composite program underway**
- **Cross Linked Binder program on track**
- **ISO 13485 program on track**
- **Response to COVID-19 Coronavirus diagnostic requirements**

AnteoTech Limited (ASX: ADO) ("AnteoTech" or "the Company") is pleased to provide this update on activities for the quarter ended 31 March 2020.

Financial and Corporate Update

Cash

At the end of the quarter AnteoTech had approximately A\$3.183 million of cash on hand, compared to \$2.112 million at the end of the December quarter. An R&D Tax claim of \$966,562 was received in April which has further strengthened cash reserves.

COVID-19

COVID-19 has caused some disruption to procurement of raw materials and shipments of samples. AnteoTech was able to implement the social distancing measures set down by the Queensland Government whilst allowing normal operations to continue. The Life Sciences and Energy development programs have only been marginally impacted. Some of the work being undertaken by our overseas collaborators in the Energy and Life Science sectors has slowed down but progress continues. This is expected to cause some minor delays with some projects.

Rights Issue

The Renounceable Rights Issue announced on 2 March 2020 raised \$2.15 million (before costs) which was an excellent outcome in an environment of unprecedented market turbulence, with the All Ordinaries index falling more than 30% following the announcement of the Rights Issue.

A total of 143,766,118 new fully paid ordinary shares and 71,882,998 options, exercisable at 3.0 cents and expiring 31 March 2023, were issued to investors who applied under the Offer.

Business Update

1. Energy

Achievements:

- Important US Patent Granted.
- Cross-Linked Binder development and increasing porosity of Silicon Composite programs continue.
- Collaboration network significantly expanded.
- Next phase silicon composite development work to focus on particle porosity.
- 2nd generation Silicon Composite available 2nd Half 2020.

On the 27 February, the Company announced it had received notification from the United States Patent and Trademarks Office (USPTO) that its battery patent application was to be issued. This patent will deliver considerable leverage in the US market as AnteoTech can confidently differentiate its solutions developed using AnteoTech proprietary and IP protected components. The US patent covers relatively broad claims and confirms a proprietary position for use of AnteoTech's coating and binding technologies when applied to battery materials such as silicon particles.

The granted patent is the first of two AnteoTech patent applications which are currently under examination in more than 20 countries. The patent provides AnteoTech with the ability to develop and market battery surface modification solutions in the US market whilst ensuring our underlying IP will be protected from commercial duplication.

The next phases of development of the silicon composite and binder includes:

- Development of silicon-based anode systems with increased silicon content to lift the energy capacity of the battery.
- Improving the porosity attributes of the silicon composite. Improving porosity will counteract the inefficiency caused by silicon expansion and contraction that occurs as the anode is charged and discharged.
- Development of the cross-linked binder system to prove the gains in electrode performance over reference systems.

AnteoTech has previously announced its objective to expand the number of collaborations with industry participants in order to create development and funding options for the silicon composite and binder programs. We have formalised a number of these discussions to active collaboration level across the silicon composite program and the cross-linked binder program. The new collaborations include:

- A northern European surface coating company with specific IP for Li ion battery development used to coat the surfaces of anode separators and foils. The collaboration will focus on the potential to coat AnteoTech's silicon composite in order to provide protective mechanisms as silicon expands and contracts during charge and discharge aimed at optimising and improving the electrical performance of AnteoTech's silicon composite.
- A large central European silicon focused chemical company developing anode active materials. The company is targeting the Li ion battery market with its own materials and is looking to collaborate with and commercially partner smaller companies as an option play for their involvement in the industry. The collaboration will

focus on validation and further development of AnteoTech's silicon composite and binder systems.

- A large Northern Asian Chemical company that holds a significant share of the global anode binder market. The company is looking to enhance its prospects in the next evolution of anode active materials including silicon based technology. The collaboration will focus on the cross-linking effect of AnteoTech's binder additive to discover the extent to which anode performance can be improved.
- A large Western European based nano silicon producer. This collaboration has been developed in conjunction with Collaborator 3 and is focused on combining AnteoTech's silicon composite and technology with a range of high-quality nano silicon products developed by this collaborator. The combined development will initially focus on developing attributes for Collaborator 3's needs.

Development work with collaborators 1,2 and 3 continues. Collaborator 3 has experienced difficulties importing AnteoTech's material due to the need to hold licenses in their country of origin for elements contained in our samples. This situation is not in AnteoTech's control and has caused significant delays in the evaluation program. The licenses required have now been procured by Collaborator 3 and we expect the program to continue very shortly.

Collaborator 1 continues their evaluation program and informed AnteoTech in February that they would like to move to full cell (500 cycle) testing of our composite to be completed at the end of June 2020. We have agreed to this and have also indicated that we would like to undertake a second round of testing with a new composite sample with enhanced porosity attributes later this year. Collaborator 1 has agreed in principle and we expect the new composite to be available in the second half of 2020. Since the February meetings, we believe that Collaborator 1's cycle testing program may have been interrupted by the COVID-19 pandemic and we are awaiting feedback on this.

In addition to the silicon composite program, AnteoTech has undertaken discussions with Collaborator 1 for the evaluation our Cross-Linked Binder additive. We have been testing our additive against a range of variables in order to fine tune the application method to meet Collaborator 1's needs and our guidance for optimisation plus samples of the additive will be shipped to Collaborator 1 in May 2020. We expect evaluation feedback and next steps to be received within 1 to 2 months of this shipment.

A detailed battery program update will be released to the market shortly.

2. Life Sciences

Achievements:

- Merck Europium particle discussions progress.
- First IMRA Kits dispatched to the US for initial customer assessment.
- Supply contract signed with 77E.
- ISO 13485 certification program on track.
- COVID-19 Operations.

On 9 March 2020, the Company announced it had signed a non-binding Heads of Agreement with Merck in Europe to co-develop an AnteoBind activated range of Europium particles. Since then the two organisations have met several times. The current body of work is focusing on an original equipment manufacturer (OEM) style of agreement that would harness AnteoTech's activation capability to produce the combined product. This model will ensure the quickest time to market to capture this growing opportunity for high sensitivity conjugation. Further discussions will focus on much higher volume scenarios in future periods that may harness Merck's manufacturing capability in Lyon France.

Our objective is to be in the market with a combined product by Q1 2021.

Development work on the AnteoBind activated i-colloid gold particle kit is nearing completion with first evaluation kits ready for receipt by IMRA. The focus of this program will now turn to manufacturing scale-up and progression to other particles in the IMRA range.



AnteoTech has signed a supply agreement with a Budapest, Hungary-based diagnostic solutions supplier 77E <https://en.e77.hu>

The Company is diversifying its solution portfolio toward assay development and is currently undertaking advanced R&D activities that include the use of AnteoBind.

The agreement was signed in February after two days of discussions with AnteoTech's CEO and Head of Life Sciences and 77E's R&D Executive team at 77E's headquarters in Budapest.

We have built a very strong relationship with 77E and expect this will lead to stronger and more detailed collaboration and execution of commercial opportunities in the future.

A large body of work to prepare for ISO 13485 accreditation has been undertaken. AnteoTech has been improving and building quality systems, documentation processes and R&D and production processes aligned to the requirements of ISO13485. Achievement of ISO 13485 certification is an essential step in supporting our strategy to move up the value chain in the PoC life science assay development process.

Final reviews by the standards certifiers have been scheduled for May and June 2020 and we expect that our certification will be complete early in the second half of 2020.

Finally, the COVID-19 pandemic has prompted the diagnostic industry to act very quickly to develop tests which will play a role in the ultimate control of this virus. We observe that the industry has responded with many rapidly developed tests targeted at providing enough volume to support the need for front line control of the disease.

At the same time, many companies and commentators within the industry have observed that it is likely that it will be some time before widely available vaccines are produced and distributed, and in the meantime, there is a need for long-term disease control assurance solutions.

We have received a considerable number of enquiries about the role AnteoTech's Life Science Division can play in the current crisis and we will provide updates should any progress be made.

Key Objectives for the Quarter ended 30 June 2020

Q2 has started well for AnteoTech with multiple key objectives identified for both the Battery and Life Science divisions. These include:

- Continue the development work on the 2nd Generation Silicon Composite and Cross-linked Binder additive.
- Direct resourcing into the expanded Energy division collaboration network with a view to advancing co-developed solutions.
- Finalise the Merck europium particle commercial agreement.
- Finalise our ISO 13485 program of work.
- Evaluating where our technology could be applied to the testing for COVID-19 and will provide updates should any progress be made.

The Company looks forward to updating shareholders on all material developments and operational progress.

ABOUT AnteoTech GROUP – AnteoTech Ltd (ASX:ADO)

AnteoTech 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 by providing unique value-add solutions for its customers. Customers operate in the life sciences, diagnostics, energy and medical devices markets.

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