

Quarterly Activities & Cashflow Report

Quarter ending 30 June 2023

BRISBANE, AUSTRALIA, 27th July 2023: AnteoTech Ltd (ASX: ADO) (**AnteoTech** or the **Company**) a revenue stage company, providing solutions for the clean energy and life sciences markets using proprietary surface chemistry, is pleased to release its Appendix 4C – Quarterly Cashflow Report and Activities Update for the quarter ended 30 June 2023 (the **Quarter**). All financial results are in Australian dollars and are unaudited.

Highlights

- **Trinseo technical assessment completed - progressing towards commercial agreement**
- **Number of international EV manufacturers assessing integration of Anteo X™ with their battery designs**
- **Anteo X™ showcased at The Battery Show Europe 2023 in Stuttgart >100 sales leads generated**
- **KPIs for 1H 2023 on track or completed – shift to commercial culture**
- **\$6.0m Capital raising to drive near term commercial milestones – Anteo X™ commercialisation activities and construction of Anteo X™ production facility**
- **30 June 2023 - \$8.3m Pro Forma cash after capital raising and no debt**

Commercialisation Progress

With all previously communicated KPIs on track or completed the Company culture has changed from one of R&D driven to a marketing led sales driven business, and Q4-FY23 has seen increased engagement with potential distribution and development partners across both business segments. Critically, business opportunities are now being assessed for their ability to generate near term revenues, which represents a significant shift in culture when compared to the previous focus.

Clean Energy – Next generation battery technology

This Quarter the team achieved strong progress with each of our commercial partners and potential partners as well as building market awareness.

The Clean Energy Technology (CET) team attended The Battery Show in Stuttgart, Germany in early June, which provided a first opportunity to showcase the proprietary Anteo X™ and silicon anode technologies and their applicability to the global movement to higher silicon anodes. There were over 100 meaningful sales leads generated, of which more than 20 have been assessed as priority targets. Meetings were also held with Trinseo and Wyon with good results from initial assessments of product technology.

Recently, the Company successfully completed the technical review with Trinseo, of the AnteoX™ in combination with their market leading Voltabond™ binder. Progress has been made with Wyon and their miniature batteries for the medical device market. The Company is now engaging in discussions to develop commercial agreements with both Trinseo and Wyon.

More recently there has been initial engagement with several global electric vehicle or EV manufacturers that are looking for opportunities to increase the percentage of silicon within their proprietary anode developments. Currently these companies are looking for ways to achieve a stable anode with >18% silicon and have approached AnteoTech with a view to assessing the value of Anteo X™ in their systems.

Another opportunity developed from discussions with EV manufacturers, is to leverage Anteo X™ to decrease several of the costly input materials, thereby reducing the cost of the anode significantly. Further work is planned in conjunction with one EV manufacturer to prove this approach on a prototype scale model prior to a “Design freeze” for their next generation car battery.

AnteoTech continues to progress the development and installation of the first stage AnteoX plant in Brisbane, with plans well developed and progressing to planning approval submission. Long lead time items have been purchased in anticipation of this approval and development remains on track for release of first commercial product early in 2024.

AnteoTech has commenced the process to apply for three separate grants for government funding through a matched funding model, to advance the development of the Clean Energy Technologies. These Australian grants, if successful will enable the accelerated development of the silicon anode project and also expansion into the newer target areas that may include green hydrogen. It is not anticipated that the Company will receive a response prior to late 2023 due to the processes for the applications.

In February 2023, a new Strategy for AnteoTech was provided along with various Key Performance Indicators or KPIs. Importantly, the two KPIs due by the end of FY23 have been completed.

- Conversion of “collaborators” to business partners. 2 MoUs signed.
- Preparation for EU market entry-Registration commencement with Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and the further commercial milestones for FY24 are underway and on track.

Looking forward, with the funds from the capital raising, the team is targeting the securing of commercial agreements and commercial revenues by the end of 2023 and laying the platform for significant future growth in the battery market.

Life sciences - Driving revenues in diagnostics

This Quarter, the refocusing of the Company’s work in Life Sciences continued, with significant work underway rebuilding the awareness of AnteoBind™ and its’ value to diagnostic and Point of Care companies. Key to this rebuilding initiative has been the restructuring of the business unit and a focus upon partnerships versus collaboration. The Company attended two industry workshops in Europe, run by Merck, one of the leading Point of Care providers. As a result of these workshops, the Company has been able to develop an opportunity funnel to deliver near term partnering and revenue opportunities.

The key KPI for FY23 was completed as planned with the development of a new targeted marketing program, led by the Head of Markets and the newly appointed Chief Marketing Officer. The planned milestones for FY24 are all underway with several at an advanced stage.

This Quarter, work was undertaken assessing the global market for a material acquisition opportunity within the Point of Care sector. Currently no companies have been identified that would offer the value required for such an acquisition to be of value to AnteoTech. With greater opportunities and return on investment possible from the CET business, a decision has been made to place the acquisition program on hold.

Looking ahead the Company is focused upon both short-term revenue generation and longer-term partnerships with leading companies in the Point of Care market.

Corporate

The Company continues to rapidly evolve and move towards the commercial outcomes it has targeted. The re-branding of the Company and subsequent re-positioning completed in May 2023 has been well received by investors and business partners across the segments.

In line with this new focus, the Company is continuing to invest in critical human resources that will drive the CET business. This industry and opportunity is rapidly moving and, critical to the success of AnteoTech will be the highly skilled team that is responsible for the development of new technologies. This will become the Company's primary focus for the future value of the business, with the Life Sciences team focused upon leveraging and commercialising the existing AnteoBind product.

During the Quarter, the Company continued to reduce its expense profile with a reduction and refocusing of headcount. Over the past 12 months the Company has reduced its headcount from 44 to 34 and has reallocated several team members from Life Science projects into the CET team. The redundancy costs associated with the changes are reflected in the cash position in Q4FY23.

From a quality and regulatory focus, the Company has been recertified to ISO13485 which is an important regulatory qualification for the Life Sciences sector. It is also pleased to report that the Company maintained the ISO9001 certification with zero non conformances, a pleasing recognition of the hard work performed by the Quality Management team that works across the business.

Financials

Capital Raising and Share Purchase Plan

After the end of the Quarter the Company successfully completed a \$4.0m placement and launched a \$2.0m Share Purchase Plan (SPP) to raise \$6.0m. The Company has undertaken the Placement and will make an offer to existing shareholders under the SPP, to build on its early mover advantage in the design and manufacture of high silicon anodes for the Lithium-ion battery market.

Cash and Expenditure

AnteoTech had \$2.7 million cash on hand as at 30 June 2023 with no debt. With the funds raised from the Capital Raising the Company has a Pro Forma cash balance at 30 June 2023 of \$8.3m.

	\$ '000
Cash at 30 June 2023	2,720
Net Proceeds of Placement	5,600
Pro Forma Cash 30 June 2023	8,320

This Quarter, cash receipts totalled \$16,000 and net cash outflows from operating activities were \$2,784,000 as summarised below (refer Appendix 4 C Quarterly Cash Flow Report for 30 June 2023):

	\$ '000
Business Expenses:	
Research and Development	261
Staff, Admin and Corporate	2,240
Other	300
Capital Expenses (incl. IP)	(26)

ASX Listing Rule 4.7C disclosure

This Quarter, \$100,000 was paid to Related Parties, as reported in Item 6.1 of the ASX Appendix 4C (Quarterly Cash Flow Report), for directors' fees.

Other Matters – Write downs for Life Sciences

The Company was negatively impacted in June by the liquidation of Ellume, with claims for \$126,000 of revenues being lodged with the liquidator. These claims will be written down to zero for the FY23 finalised accounts.

In February 2023, the Company announced a revised strategy that focuses upon the commercialisation of the clean energy technologies and discontinue production of rapid antigen test products. Subject to finalisation of the audit process, the Company expects the FY23 audited accounts will include a \$2.6 million write down of the carrying value of assets relating to production of rapid antigen tests.

This announcement has been authorised for release by the Board of AnteoTech Ltd.

- ENDS -

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For further information, please check our website www.anteotech.com

About AnteoTech - AnteoTech Ltd (ASX:ADO)

AnteoTech is a revenue stage particle surface chemistry company leveraging our proprietary nano polymer technology to solve global industry problems for our customers in the clean energy and life sciences sectors.

In the rapidly growing clean energy market, our lead product AnteoX, has been proven to provide significant improvement in anode performance and the Company has partnered with global suppliers to the lithium-ion battery manufacturing, with first revenues targeted for late 2023 from our Brisbane based commercial plant. The portfolio includes a proprietary micro silicon anode in late-stage development, made with unrefined silicon which offers advantages of size, weight and cost.

The life sciences division services the point of care and diagnostics markets from global diagnostics companies to technology developers. The unique characteristics of AnteoBind™ provides strong advantages in bioconjugation to rapidly speed up testing procedures and improve accuracy.

AnteoTech - Social Media Policy

AnteoTech is committed to communicating with the investment community through all available channels. Whilst ASX remains the prime channel for market sensitive news, investors and other interested parties are encouraged to follow AnteoTech on Twitter ([@AnteoTech](https://twitter.com/AnteoTech)), LinkedIn. Subscribe to AnteoTech Latest News emails - visit our website at www.anteotech.com and subscribe to receive our email alert service.

Forward Looking Statements

This Announcement may contain forward-looking statements, including estimates, projections and other forward-looking information (**Estimates and Projections**). Forward-looking statements can generally be identified by the use of forward-looking words such as "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of AnteoTech. The Estimates and Projections are based on information available to AnteoTech as at the date of the Announcement, are based upon management's current expectations, estimates, projections, assumptions and beliefs in regards to future events in respect to AnteoTech' business and the industry in which it operates which may in time prove to be false, inaccurate or incorrect. The Estimates and Projections are provided as a general guide and should not be relied upon as an indication or guarantee of future performance. The bases for these statements are subject to risk and uncertainties that might be out of control of AnteoTech and may cause actual results to differ from the Announcement. No representation, warranty, or guarantee, whether express or implied, is made or given by AnteoTech in relation to any Estimates and Projections, the accuracy, reliability, or reasonableness of the assumptions on which the Estimates and Projections are based, or the process of formulating any Estimates and Projections, including that any Estimates and Projections contained in this Announcement will be achieved. AnteoTech takes no responsibility to make changes to these statements to reflect change of events or circumstances after the release.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

AnteoTech Ltd

ABN

75 070 028 625

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	16	496
1.2 Payments for		
(a) research and development	(261)	(2,227)
(b) product manufacturing and operating costs	(9)	(163)
(c) advertising and marketing	(178)	(565)
(d) leased assets	(113)	(629)
(e) staff costs	(1,727)	(6,610)
(f) administration and corporate costs	(513)	(1,761)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	40
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	-	3,217
1.8 Other (ATO cash boost)		
1.9 Net cash from / (used in) operating activities	(2,784)	(8,202)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	102	(606)
(d) investments		
(e) intellectual property	(76)	(423)
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	26	(1,029)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		1,848
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	-	1,848

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,478	10,103
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,784)	(8,202)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	26	(1,029)

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	1,848
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	Cash and cash equivalents at end of period	2,720	2,720

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,720	5,478
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,720	5,478

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	100
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,784)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,720
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	2,720
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.98
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: No</p> <p>The Company has continued to reduce its overhead base by reducing its headcount from 44 to 34 over the previous 12 months with certain roles being made redundant. Other positions have been moved from the Life Science projects to the Clean Energy Technology team.</p> <p>Further, the Company is moving to secure commercial agreements for its clean energy products in the coming quarters, for sale of Anteo X™ and also development work. If commercial agreement or agreements are consummated, this will drive an increase in Receipts from Customers</p> <p>The Company has also applied for non dilutionary grants to pay for some of the development costs for its clean energy projects.</p>	

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes

On 26 July 2023 the Company secured binding commitments for a placement of \$4.0m and announced its intention to commence a \$2.0m Share Purchase Plan to raise a combined \$6.0m. The Placement and Share Purchase Plan will be completed in the September 2023 quarter.

This capital raising leaves the Company with a pro forma cash balance of \$8.3m at 30 June 2023. The Company also expects to receive an R&D rebate of \$2.8m - \$3.0m in the December quarter.

These cash inflows fund the Company through FY2024 based on current forecasts.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes

As noted in the answer to 8.6.2, the Company intends to complete a \$6m Capital Raising this quarter, which will provide the Company with a pro forma cash balance, after costs, of \$8.3m at 30 June 2023.

Based on a conservative sales forecast, the proforma cash balance of \$8.3m and the R&D rebate of \$2.8m to \$3.0m in the December quarter, the Company expects to be funded through FY2024.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Tomislav Milicevic
Company Secretary
19 April 2023

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards

Quarterly cash flow report for entities subject to Listing Rule 4.7B

and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.