

# Quarterly Activities & Cashflow Report

Quarter ending 31 December 2023

BRISBANE, AUSTRALIA, 29<sup>th</sup> January 2024: AnteoTech Ltd (ASX: ADO) (**AnteoTech** or the **Company**) a revenue stage company, providing solutions for the clean energy and life sciences markets using proprietary chemistry technologies, is pleased to release its Appendix 4C – Quarterly Cashflow report and Activities Update for the quarter ended 31 December 2023 (the **Quarter**). All financial results are in Australian dollars and are unaudited.

## Highlights

- **Major commercialisation milestones achieved with specialist manufacturer – successful technology transfer and scale-up**
  - Production of first commercial high silicon anode containing Anteo X™
  - Production of first proprietary AnteoTech Ultra High Silicon anode containing 70% silicon
- **New performance data with high silicon anodes presented at US Advanced Automotive Battery Conference – demonstrates performance improvements & significant cost reductions**
- **Anteo X™ Production Facility - Practical Completion by early February 2024**
- **First Anteo X™ revenues from major EV manufacturer and order from Serum Institute of India for \$0.27m of AnteoBind**
- **New AnteoBind NXT product developed – price competitive and more effective alternative to traditional chemistries used in diagnostics – opens new market opportunity in preactivated particles for assays**

David Radford, CEO and Managing Director commented:

*“The December quarter was another very productive time for us with major commercialisation milestones achieved including our first successful commercial production run of a high silicon anode containing Anteo X - as well as the production of a proprietary AnteoTech anode with 70% silicon. While our soon to be completed Brisbane facility will be hugely beneficial to enable initial supplies of Anteo X and early commercial production runs, it also gives the business significant credibility in the marketplace.*

*In parallel, a number of proposals and discussions advanced this Quarter following the European customer visits last October to a number of EV manufacturers and specialist chemical and battery groups. We secured our first Anteo X revenues for product included in a tailored anode in a sale to a potential customer. We see significant scope to be paid for our product development and services as potential customers leverage our skills and experience to achieve their higher silicon goals. Our recently released data further underpins this value proposition.*

## Clean Energy Technologies – next generation battery technology

### Current & Potential customers - Progressing discussions and new proposals

During the Quarter, the clean energy team continued their focus on the high value customer targets identified in the September quarter, representing a potential \$1 billion plus sales opportunity. This includes two major electric vehicle manufacturers, a bespoke battery manufacturer and a giga battery manufacturer, a global specialised chemical company, along with existing partners, Trinseo and Wyon.

In October, senior management were in Europe where productive meetings were held with all these target customers as well as several additional new potential customers. The trip provided the opportunity to engage with the multiple stakeholders within these organisations and continue to build the relationship.

Another key benefit of these face-to-face meetings was the ability to present recent technical data on Anteo X and AnteoTech's Ultra-High Silicon anode. This data is critical to AnteoTech's customer value proposition, as the key message resonating from these meetings was that the companies are having difficulty in transitioning from <10% silicon in their anodes to anything greater than 15%. AnteoTech is becoming recognised for the quality and volume of its data for both the Anteo X binder additive and ability to develop and produce the Ultra-High Silicon anodes. Another key takeaway was that potential customers are willing to pay for access to AnteoTech's highly skilled technical team and tailored test samples, prior to engaging in a long-term supply agreement.

Initial proposals have now been provided to a number of the companies met in Europe for both the supply and integration of Anteo X and trial of the Ultra High Silicon anode. While each potential customer has differing technical requirements, they typically have a multi-staged engagement process from initial evaluation, to technical validation and customisation, then contracting prior to ordering and revenues. AnteoTech continues to target commercial agreements with a number of these customers in 2024.

Most importantly, the first Anteo X revenues were received in this Quarter from one of these major EV manufacturers, whose evaluation of the product is ongoing. Additional revenues from follow-on purchase orders and development services are also being targeted.

### Trinseo and Wyon technical validation completed

Both partners have completed their technical validation of anodes containing Anteo X and confirmed that Anteo X and the proprietary high silicon anode development work performs to expectations. Commercial conversations are continuing with both partners now that validation has been completed.

In parallel with these MoUs, AnteoTech has progressed discussions with other specialised battery and chemical companies that operate in areas unrelated to Trinseo and Wyon.

### New data released at major US battery conference – performance and cost benefits

In December, AnteoTech presented new technical data at the Advanced Automotive Battery Conference in San Diego. This data demonstrated that a "high performance anode" using the proprietary formulation of a potential customer was able to be further enhanced by 10% through the addition of Anteo X. Additionally, the use of Anteo X allowed a 15-fold reduction in concentration of an expensive inorganic material that was being used in the formulation. AnteoTech's internal calculations estimate that the reduction in inorganic materials could result in a saving of up to US\$500 per anode in an electric vehicle.

The conference also provided an opportunity to engage with a number of new potential customers, with delegates representing a variety of specialised battery companies including both the giga factories and major international EV companies.

### **Construction of Brisbane Production facility nearing completion**

During the Quarter, the build out of the manufacturing plant progressed. This initial 20,000 litre per annum production facility is on track for Practical Completion by early February and is on budget.

The registration of Anteo X under the REACH legislation in the EU has continued to progress, which will enable AnteoTech as the chemical manufacturer to export to the EU at volume. The export of samples and small volumes of Anteo X are not affected by the REACH legislation.

### **Key Commercialisation milestones – Scale-up Production of commercial & ultra-high silicon anodes**

The Company achieved two major manufacturing milestones this Quarter, each of which are critical steps towards the scale-up of commercial production for the longer term.

Firstly, a specialist third party anode manufacturer, successfully produced a high silicon anode containing Anteo X for delivery to one of the major EV manufacturers. This anode was customised for the specific customer requirements and will now undergo an evaluation process. This first manufacturing run confirms the ability of the contracted manufacturer to scale-up the anode slurry mix containing Anteo X while maintaining the expected performance of the slurry in a consistent and reproducible fashion.

In a separate project, a manufacturing run has taken place to demonstrate the ability to scale-up production of AnteoTech's Ultra High Silicon anode at this same third-party manufacturing plant. This anode is currently undergoing testing, but early indications confirm that the 70% silicon anode is easily manufactured, and again, reproducible with the expected performance characteristics.

### **Multiple non-dilutive funding applications in clean energy**

AnteoTech has continued to progress several separate government grants related to the development and commercialisation of its clean energy products. Having passed the initial expression of interest phase, AnteoTech has provided detailed applications with this review process underway. The Company is continuing to work with the respective Grant bodies to progress the applications. If successful, each one of these grants will provide additional funding, non-dilutive to AnteoTech shareholders, to enable market entry and development activities to be accelerated.

## **Life sciences – New Product and Growing revenues in diagnostics**

### **Serum Institute of India – Broadens relationship with \$0.27m AnteoBind order**

During the Quarter, engagement with the Serum Institute of India progressed well with another order secured for A\$270,000 worth of AnteoBind, for inclusion in their vaccine production processes.

While the first commercial agreement in Life Sciences was not secured in 2023 as planned, discussions and proposals were progressed with several international point of care companies.

## New AnteoBind NXT product – Cheaper and superior offering for Point of Care market

Significant progress in broadening the AnteoBind product offering was made during the Quarter with development completed of a new product offering – AnteoBind NXT. AnteoBind NXT enables AnteoTech to compete in the Point of Care market (PoC), currently dominated by EDC/sNHS chemistry and estimated to be \$0.7B per annum. The key product advantages of AnteoBind NXT can include:

- 30% reduction in the use of costly antibodies
- up to 40% reduction in manufacturing labour costs for particle conjugation processes
- ability to store activated particles in PoC for up to 12 months with no loss in activity or performance - a new market opportunity for assays using pre-activated particles

AnteoBind NXT will be offered alongside existing AnteoBind kits and positioned as a superior performing and cost-effective alternative for customers developing new PoC tests and processes.

## Corporate & Financials

### Cash and Expenditure

AnteoTech had \$4.64 million cash on hand as at 31 December 2023 with no debt. In early October, the Company received \$3.77 million cash from the R&D Tax Incentive for eligible development activities in FY23.

Total revenues of \$346,000 were generated during the quarter with cash receipts from customers of \$274,000. Net cash outflows from operating activities, excluding the impact of the R&D Tax rebate, were \$2,602,000. Key operating expenses are summarised below - refer Appendix 4 C Quarterly Cash Flow Report

	\$ '000
<b>Business Expenses:</b>	
Research and Development	186
Staff, Admin and Corporate	2,469
Other	263
<b>Capital Expenses</b>	
Plant & equipment	330
Intellectual Property	92

During this early commercialisation phase, the Company continues to carefully manage its cashflows whilst also reducing its overall expenditures. In conjunction, the Company is also pursuing funding from non-dilutive sources, with grant applications being progressed during the Quarter.

### ASX Listing Rule 4.7C disclosure

This Quarter, \$197,000 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

The Company was reclassified by S&P Dow Jones Indices and MSCI into the "Materials" sector, 'Specialty Chemicals' (15101050) industry group, of the Global Industry Classification Standard or GICS effective 1 January 2024. This reclassification in the clean energy market allows investors to be able to better evaluate AnteoTech against its peers both domestically and internationally.

In relation to the Federal Court action taken by Ferroglobe Innovation S.L., AnteoTech has filed its defence to the claims and continues to vigorously defend the matter.

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

- ENDS -

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#### **About AnteoTech - AnteoTech Ltd (ASX:ADO)**

AnteoTech is a revenue stage company that provides solutions for the clean energy and life sciences markets using our proprietary applied materials technology. In the rapidly growing clean energy market, our lead product Anteo X™, has been proven to provide significant improvement in anode performance and the Company has partnered with global suppliers to the lithium-ion battery manufacturing industry, with first revenues achieved in late 2023. The portfolio includes a proprietary high silicon anode, made with unrefined silicon which offers advantages of size, weight and cost. The Life Sciences division services the Point-of-Care and In vitro 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](http://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")**

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	274	302
1.2 Payments for		
(a) research and development	(186)	(593)
(b) product manufacturing and operating costs	(4)	(13)
(c) advertising and marketing	(58)	(128)
(d) leased assets	(180)	(424)
(e) staff costs	(1,338)	(2,566)
(f) administration and corporate costs	(1,131)	(2,063)
1.3 Dividends received (see note 3)		
1.4 Interest received	17	29
1.5 Interest and other costs of finance paid	(11)	(24)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	3,773	3,781
1.8 Other (PPL / WorkCover wages)	15	24
<b>1.9 Net cash from / (used in) operating activities</b>	<b>1,171</b>	<b>(1,675)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(330)	(459)
(d) investments		
(e) intellectual property	(92)	(224)
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(422)</b>	<b>(683)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	0	4,688
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(62)	(410)
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)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(62)</b>	<b>4,278</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	3,953	2,720
4.2 Net cash from / (used in) operating activities (item 1.9 above)	1,171	(1,675)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(422)	(683)

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(62)	4,278
4.5	Effect of movement in exchange rates on cash held	0	0
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,640</b>	<b>4,640</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	4,640	3,953
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,640</b>	<b>3,953</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	197
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

*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.*



<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</b>		
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	1,171
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,640
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	4,640
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
<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?	
Answer: N/A	
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: N/A	
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: N/A	
<i>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.</i>	

## 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.

Andrew Cook  
Company Secretary  
29<sup>th</sup> January, 2024

## 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 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.