

# Quarterly Activities & Cashflow Report

Quarter ending 31 March 2024

BRISBANE, AUSTRALIA, 23 April 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 applied materials technology, is pleased to release its Appendix 4C – Quarterly Cashflow report and Activities Update for the quarter ended 31 March 2024 (the **Quarter**). All financial results are in Australian dollars and are unaudited.

## Highlights

- **Anteo X™ production facility construction complete – first Anteo X production scheduled in April 2024**
- **Development work with two leading European car manufacturers progressing well**
- **Leading wearables battery manufacturer enters Materials Transfer Agreement with evaluation commencing**
- **Further customers negotiating terms for access to AnteoTech technology**
- **\$1.4m Grant awarded from the Queensland Critical Minerals and Battery Technology Fund**
- **\$5.4m Placement completed to drive near term commercial milestones – Clean energy development, partnering and scale up activities for Anteo X and Ultra-high silicon anode**
- **Share Purchase Plan opens for eligible shareholders to invest up to \$50,000 each**
- **31 March 2024 - \$6.6m Pro Forma cash after capital raising and no debt**

David Radford, CEO and Managing Director commented:

*“The March quarter was an encouraging period as we continue to move forward commercially and position AnteoTech with multiple touch points across the lithium-ion battery sector. Our portfolio strategy is entering an exciting period with projects underway or commencing shortly with a number of companies across the sector. Our ability to service the expected demands of these customers has been bolstered with the completion of our Brisbane production facility which is expected to commence manufacturing of Anteo X in April 2024.*

*The Company is continuing to make good progress in its relationships with EV1 and EV2. Evaluations continue to confirm the potential value of Anteo X as an additive to batteries used in electric cars. Pleasingly, the product has consistently performed in reducing the input costs to the anode, which is now a key consideration for the next generation of EV batteries.*

*Following the end of the quarter we secured \$5 million net of fees and expected transaction costs from an equity placement. The placement attracted a number of new institutional investors who support the vision of our clean energy technology business. This funding is critical for us to maintain our speed to market and to enable us to support multiple customers through their validation phase in what is a highly competitive global battery market. We have now opened our share purchase plan targeting \$1 million and would encourage all eligible shareholders to consider participating in the SPP offer, which closes on Friday 3 May 2024.”*

## Clean Energy Technologies – next generation battery technology

### Electric Vehicle (EV) Initiatives

During the Quarter, the Company continued its work with a leading European car manufacturer or “EV1” on the optimisation of their anode for their next generation electric vehicle or EV batteries. This work has been progressing for a number of months, with initial testing by the customer in their laboratories confirming the results obtained by the Company that demonstrates an improvement in energy density and a reduction in costs of the anode. AnteoTech will continue its work with EV1 towards the common goal of improving the performance of the battery and making a reduction in the cost of the components of the anode. The goal of this work is inclusion of Anteo X in EV1’s upcoming “design freeze” towards the end of 2024. Being included in the “design freeze” would see Anteo X incorporated into the batteries for EV1’s next generation vehicles.

If the internal validation and testing processes being undertaken by EV1 is successful, the objective will then be for AnteoTech to secure commercial agreements for the sale of Anteo X for use in a broad range of the EV’s that the company produces. The scoping of EV2’s evaluations are expected to be completed in Q4 FY2024 with the evaluation expected to commence in early FY2025. Based on the volumes of EVs that each company manufactured in 2023, and their forecast growth, this would equate to a significant volume of Anteo X providing a material revenue opportunity.

A further project is commencing with a leading Giga Factory that produces large volumes of EV batteries. The Factory has approached AnteoTech to assist in their transition to a higher silicon anode. The scoping and deliverables for this project are currently being finalised and it is expected that this will run in parallel with the EV projects.

### Consumer Electronics Programs

During the Quarter, the Company commenced projects for the consumer electronics market. The first of these projects is being pursued with a leading manufacturer of batteries for wearable products. This manufacturer is undertaking an accelerated validation of Anteo X. If this validation is successful, AnteoTech anticipates moving into a commercial partnership with the manufacturer for, initially, the supply of Anteo X with further work anticipated at a later stage for the development of Ultra-high silicon anodes.

A second project is with another leading manufacturer of batteries for other consumer products. Similar to the first project, AnteoTech plans to fast track development of the anode with a target to have production of their next generation batteries within 12 months. This manufacturer engaged with AnteoTech after the technical data presentation at the Advanced Automobile Battery Convention (AABC) in San Diego in December 2023.

The consumer electronics market has a number of attractive qualities and represents an area where AnteoTech believes its products can add considerable value, these include:

- The market is continuing to show strong growth characteristics
- Diversification from electric vehicle batteries
- Low barriers to adoption
- Typical battery performance levels are 80% energy retention after a range of 300-800 charge/discharge cycles.

## **Non-Dilutive Grant Funding for Consumer electronics**

This Quarter AnteoTech was awarded grant funding from the Queensland Critical Minerals and Battery Technology Fund (QCMETF) for up to \$1.39 million. The funding under the QCMETF will support the purchase of pouch cell manufacturing and testing equipment to accelerate the commercialisation of the Ultra-high silicon anode. The programme will focus on the finalisation of the development of an anode capable of 800 cycles at 80% capacity retention and will accelerate AnteoTech's development of its consumer electronic products. This funding will enable AnteoTech to become a small-scale anode manufacturer, reducing its dependence upon external partners.

## **Development in Ultra high silicon anode**

AnteoTech's development work in the high silicon anode has continued to demonstrate high energy retention after 650+ charge/discharge cycles. In December 2023, the Company confirmed for the first time that we had successfully demonstrated commercial scale manufacturing of the Ultra-high silicon anode containing 70% silicon. Validation work is now underway and confirms that the design specification of the anode is being achieved. The ability to manufacture these anodes from metallurgical silicon is a significant step forward in providing a cost-effective product for a wide range of uses.

## **Carbon Nano Tube or CNT Projects**

In many high-performance batteries, a number of global manufacturers use carbon nano tubes or CNT to enhance the performance of their anodes to provide improved performance. These CNT are comparatively expensive. Based upon AnteoTech's published technical data generated with EV1, AnteoTech has demonstrated that inclusion of Anteo X in the anode slurry allows the volume of CNT in the anode to be reduced by up to 90%. Not only does this provide cost savings, with performance improvements also being demonstrated with the inclusion of Anteo X.

AnteoTech is in discussions with a leading CNT manufacturer to commence a validation project in the second half of 2024. The objective of this CNT manufacturer is to create a new product that leverages AnteoTech's abilities alongside a market leading manufacturer to provide a higher performance and cost effective solution, which is now becoming a greater focus in the global battery market.

## **Anteo X Production Facility - Construction Complete**

During the Quarter construction of the Brisbane located Anteo X production facility was completed, enabling AnteoTech's scale-up of manufacturing. The facility allows for the initial production of 20,000 litres of Anteo X and its modular design accommodates allows for expansion with the ability to increase to a total of 80,000 litres per annum. The Company expects the facility to enable further Anteo X development as well as initial commercialisation activities commencing in Q4 FY2024.

## **Life sciences – New Product and Partnership Discussions**

### **Serum Institute of India**

In January 2024, management met with senior representatives from the Serum Institute of India (SII) at their headquarters in India. SII are the world's leading vaccine manufacturer and are currently using AnteoBind™ in the development of a new vaccine. The incorporation of AnteoBind into a vaccine

manufacturing process, if approved by international regulatory bodies, would ensure AnteoBind would be used for the life of the vaccine which is typically more than 20-years, providing a long-term annuity-style revenue stream for AnteoTech. The discussions for an initial commercial contract are well advanced.

### **New AnteoBind NXT product – Cheaper and superior offering for point of care market**

During the Quarter, AnteoTech launched Anteo NXT to targeted customers for initial evaluation. The main focus of this targeted launch has been Point-of-Care development companies that are looking to reduce their input costs and increase sensitivity of their tests. Initial results are very pleasing, and the Company is in discussions with several international companies that produce Point-of-Care products for the incorporation of Anteo NXT into new products.

## **Corporate & Financials**

### **Ferroglobe Settlement**

In March 2024, the Company reached a commercial settlement of all claims alleged in the legal proceedings brought by Ferroglobe Innovation S.L (**Ferroglobe**). AnteoTech has retained full right and title to its intellectual property portfolio, including in relation to its high silicon anode technology patents and product. Whilst the terms of the settlement are confidential, the Company has made a one-off payment to Ferroglobe of A\$300,000.

### **Capital Raising and Share Purchase Plan**

Following the end of the March Quarter, the Company successfully completed a \$5.4m share placement and launched a \$1.0m Share Purchase Plan (**SPP**) to raise a total of \$6.4m. The shares issued under the placement and proposed to be issued under the SPP, are priced at 2.5 cents per share and included a one for two attaching option at 3.5 cents. The options require shareholder approval, and it is intended to apply for listing these options which have a 2 year expiry. If these options are exercised within twelve months, holders will receive a further one for one bonus option, exercisable by 30 April 2027 at 5 cents. A Prospectus has been lodged with ASIC and the ASX for the SPP as well as the offer of options and bonus options and a meeting of shareholders will be held on 28 May 2024.

The Company has undertaken this capital raising to fund its clean energy market launch activities and associated scale up infrastructure.

### **Cash and Expenditure**

AnteoTech had \$1.6 million cash on hand as at 31 March 2024 with no debt.

This Quarter, cash receipts from customers totalled \$138,000 and net cash outflows from operating activities were \$2,701,000 as summarised below - refer Appendix 4 C Quarterly Cash Flow Report

	\$ '000
<b>Business Expenses:</b>	
Research and Development	216
Staff, Admin and Corporate	2,504
Other	119
<b>Capital Expenses</b>	
Plant & equipment	304
Intellectual Property	21

During this early commercialisation phase, the Company continues to carefully manage its cashflows whilst also managing its overall expenditures. In parallel, the Company is also pursuing funding from non-dilutive sources, with 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.

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](http://www.anteotech.com)

#### About 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. 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 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 March 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	138	440
1.2 Payments for		
(a) research and development	(216)	(809)
(b) product manufacturing and operating costs	(13)	(26)
(c) advertising and marketing	(24)	(152)
(d) leased assets	(82)	(506)
(e) staff costs	(1,140)	(3,706)
(f) administration and corporate costs	(1,364)	(3,427)
1.3 Dividends received (see note 3)		
1.4 Interest received	10	39
1.5 Interest and other costs of finance paid	(10)	(34)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	0	3,781
1.8 Other (PPL / WorkCover wages)	0	24
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,701)</b>	<b>(4,376)</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	(304)	(763)
(d) investments		
(e) intellectual property	(21)	(245)
(f) other non-current assets		

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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</b>	<b>Net cash from / (used in) investing activities</b>	<b>(325)</b>	<b>(1,008)</b>

<b>3.</b>	<b>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	4	(406)
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</b>	<b>Net cash from / (used in) financing activities</b>	<b>4</b>	<b>4,282</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,640	2,720
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,701)	(4,376)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(325)	(1,008)

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 (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4	4,282
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>1,618</b>	<b>1,618</b>

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	1,618	4,640
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>1,618</b>	<b>4,640</b>

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	197
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>		

7. <b>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.		

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,701)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,618
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	1,618
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.6
<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><b>Answer: No.</b></p> <p>-The Company is targeting to generate increasing revenues from both its life sciences and clean energy offerings in future quarters through agreements for both paid development work and the ongoing sale of its products. If successful, this is expected to drive an increase in receipts from customers and reduce net operating cash outflows.</p> <p>The Company has been successful in obtaining funding of \$1.4m from QLD Treasury's Critical Minerals and Battery Fund and will reduce its requirement to fund key infrastructure from operating and financing activities in future quarters. The Company is actively pursuing other non-dilutionary grants with responses anticipated towards the end of the 2024 financial year.</p> <p>The Company will continue to optimise its cost and resource base to align with business opportunities and priorities. Administration and corporate costs for the quarter included non-recurring expenditure of approximately \$0.7m, including \$0.3m settlement in relation to Ferroglobe litigation.</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**

The Company announced to the market on 8 April 2024 that it has raised \$5.4m through private placement providing approximately \$5.0m in funding after costs. The Company also intends to raise a further \$1m through a Share Purchase Plan (SPP). The SPP opened on the 19 April 2024 and will close on the 3 May 2024. The Company reserves the right to take oversubscriptions via the SPP.

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 8.6.2, the Company has received funds from the placement on 12 April 2024. This funding along with existing cash, anticipated revenues, actual and potential non-dilutionary funding and ongoing cost improvements is expected to enable the Company to continue its operations and meet its business objectives.

Any funds that the Company raises from the SPP will also be applied to fund operations.

*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.

Andrew Cook  
Company Secretary  
23<sup>rd</sup> April, 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.