



ANTEO DIAGNOSTICS TO ACQUIRE ESTABLISHED GLOBAL DIAGNOSTICS COMPANY
DIASOURCE IMMUNOASSAYS SA

For Immediate Release:

August 26, 2015

Highlights:

- Anteo Diagnostics to acquire 100% of the equity in global specialty diagnostics company, DIAsource ImmunoAssays SA (Belgium), in line with previously announced acquisitive growth strategy
- DIAsource ImmunoAssays generated revenue of €11.9m (A\$18.0m) in 2014, and €7.2m (A\$10.9m) in first half of 2015 (25% growth) with quarterly EBITDA margins of 20%
- Purchase price of €15.4m (A\$23.3m), with a two year earn out to vendors, subject to achievement of financial business targets
- Transformational acquisition to transition Anteo towards a cash flow positive business, with an established global distribution platform, manufacturing capabilities and a significantly broadened product range
- Deal completion subject to financing and regulatory approvals
- New merged business entity of 100 personnel

26 August 2015 - The Board of Directors of Anteo Diagnostics (ASX: ADO) (**Anteo**) is pleased to announce that it will acquire DIAsource ImmunoAssays, SA (**DIAsource**), an established global specialty diagnostics company based in Belgium, pursuant to a Share Purchase Agreement executed yesterday (**Agreement**).

DIAsource is a vertically-integrated specialty diagnostics company that develops, manufactures, markets and distributes clinical diagnostics products in the fields of endocrinology, especially bone metabolism, fertility, cardiovascular and oncology.

DIAsource is a truly international company that services customers in 75 countries worldwide; and sells products both directly and through a global network of 90 main distributors and 40 OEM partners.

The Company generated revenue of €11.9m (A\$18.0m) in 2014 and €7.2m (A\$10.9m) in the first half of 2015. This represents revenue growth of 25% with an average EBITDA margin of 20.6% this year. DIAsource recently achieved its fifth consecutive revenue growth quarter and fifth consecutive best quarter ever in the company's history, thanks to growth in its Vitamin D portfolio and its established line of specialty RIA and ELISA assays, two different forms of immunoassays.

DIAsource has a highly flexible supply chain with a fully IVD certified production facility to manufacture its complete catalogue of antibodies, ELISA and RIA assays. The Company's headquarters, comprising 4,500 square meters located in Louvain-La-Neuve near Brussels, combines offices and laboratories with a fully integrated manufacturing and storage facility.



Agreement terms

Key terms of the Agreement include:

- Initial payment of €15.4m (A\$23.3m) to be paid in cash and / or shares at completion of the acquisition.
- An earn-out component, up to a maximum of €7.3m (A\$11.1m), subject to the achievement of business revenue and margin targets, with a minimum 20% in shares.
- Completion subject to financing, regulatory approvals and other conditions which are typical for a transaction of this nature.

A transformative acquisition

The acquisition of DIAsource is an important step in the staged global expansion strategy for Anteo.

This first acquisition is expected to complete in November 2015 and will deliver a range of significant benefits to Anteo's shareholders, including:

- **Strong revenue, revenue growth and EBITDA margin** – with strong fundamentals, including a 20% EBITDA margin over the last four quarters, the DIAsource deal transitions Anteo towards a cash flow positive organisation with significant upside earnings potential.
- **An experienced and globally-networked team** – the DIAsource team brings extensive industrial diagnostic experience that dovetails with Anteo's capabilities and "know-how", as well as an established business network of research and commercial partners worldwide.
- **A broad suite of existing products** – DIAsource manufactures and distributes a complete catalogue of ELISA and RIA products for clinical diagnostics via established distribution channels worldwide; an offering which includes antibodies and laboratory automation instrumentation. DIAsource's products are well suited to mid-tier and specialist laboratories.
- **A strategic location** – Belgium is centrally located in Europe; situated between Germany, France, the UK and the Netherlands. DIAsource's head office and operations are based in the middle of one of the most prosperous and densely populated region in Europe, with good access to core European markets and Anteo's customers.
- **Additional differentiators** – DIAsource's existing platform provides significant opportunities for Anteo's Mix&Go technology; delivering tailored customer offerings and accelerating sales of the Mix&Go technology and product range.

The transaction complements the foundational work conducted by Anteo during FY15 to develop a robust platform for business growth. With extended reach into 75 countries, the possibilities for Anteo to leverage the Mix&Go product range and capabilities throughout DIAsource's supply chain are significant. Anteo will also gain access to a large manufacturing capability, which will provide a platform to manufacture products at scale. This previously would have required Anteo to undertake significant further investment.

Anteo's CEO, Dr. Geoff Cumming, stated: "We are delighted to announce the execution of a Share Purchase Agreement today, following the completion of a robust due diligence process. The Board believes that the Anteo-DIAsource combination will be transformational for Anteo and deliver a strong set of benefits to both companies."

"Not only will the combined group transition Anteo towards a cash flow positive position; it also delivers a truly global presence through which both DIAsource's and Anteo's products can be sold. The transaction also brings a world-class (ISO, US FDA and CE IVD certified) manufacturing facility to Anteo and our shareholders."

"With a strong balance sheet and growth in both revenue and earnings, as well as an established organisation with experienced diagnostics management, DIAsource is a sound investment. Revenue



improvements that can be achieved through DIAsource's product families and inclusion of Mix&Go in the product mix make the acquisition even more attractive for Anteo," added Dr Cumming.

DIAsource Managing Director, Dr. Jozef Vangenechten, added: "This is an exciting opportunity for DIAsource to become part of a global stock exchange listed parent company, and we're happy and honoured to be the first operating subsidiary company chosen by Anteo to become part of its new growth strategy. With decades of experience in immunoassay development and manufacturing, we believe in Anteo's Mix & Go technology and look forward to the opportunity of showing and harvesting its benefits in our industrial immunoassay manufacturing. We will continue to work closely with Anteo over the coming months to bring the transaction to a close."

For further information, see our website (www.anteodx.com) or contact the persons outlined below.

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About Anteo Diagnostics

Anteo Diagnostics Limited (ASX: ADO) is a global technology company and parent company of the Australian biotechnology company Anteo Technologies, that develops and commercialises products for the life sciences, in-vitro diagnostics, point of care, medical devices and bioseparations markets.

The Anteo group owns a patented nanogluce technology, which is used by healthcare customers as an addition to their existing tests, to consistently enable laboratory test results that can either be delivered faster, cheaper or with greater specificity and / or sensitivity than incumbent tests. This nanogluce technology, called Mix&Go for healthcare markets, is starting to gain traction within the Company's target markets due to its ability to revolutionise the way scientists and assay developers work.

For more information, please visit www.anteodx.com

About DIAsource ImmunoAssays

DIAsource ImmunoAssays SA is a global specialty diagnostics company that develops, manufactures, markets and distributes clinical diagnostic products in the field of endocrinology, with a leading portfolio of Vitamin D products and comprehensive catalogue of ELISA and RIA products offered to customers worldwide. DIAsource is a vertically integrated company, from R&D and antibody production through to customer service solutions that include lab automation instrumentation.

DIAsource is present in 75 countries and sells products both directly and through a global network of 90 main distributors and 40 OEM partners.

For more information, please visit www.diasource-diagnostics.com.