



30 October, 2015

Company Announcements Office
Australian Stock Exchange
Level 6, 20 Bridge Street
Sydney NSW 2000

Anteo Diagnostics Limited (ASX: ADO) attaches its Appendix 4C for the quarter ended 30 September 2015.

CEO ACTIVITIES REPORT – QUARTER ENDED 30 SEPTEMBER 2015

Dear Fellow Shareholders,

HIGHLIGHTS FROM THE SEPTEMBER QUARTER

The September quarter has been a stand out period for Anteo, during which the Company took major steps to increase its maturity and progress growth plans.

On 26th August we entered into a Share Purchase Agreement with the shareholders of DIAsource ImmunoAssays SA to acquire the Belgian specialist diagnostics company. This acquisition will allow Anteo to grow its Mix&Go business more dynamically, whilst underpinning future profitability. I will expand on this project later in this quarterly report.

Before I review all the activities, some of the other highlights recorded during the quarter are summarised here:

- Our Business Development team added depth and experience with the engagement of Carroll Streetman and Stuart Hazell.
- We now have four distributors selling Anteo labelled product with the addition of Sigma-Aldrich and Koma Biotech in the period since our last report, to complement our work with Veritas, and One World Labs
- The AMG™ Coupling Kit, 200 nm Magnetic Particles released in May is proving itself to be a superior product following independent laboratory examination and customer usage.
- Our IVD laboratory validation program, which reviews Anteo IVD products in comparison with incumbent testing approaches has had strong engagement from customers and bead suppliers

In line with our IP and product diversification strategy:

- Our intellectual property position continued to expand with the filing of a patent application named “Functional Coatings”.
- Two new kits are at an advanced stage of development and are due to be launched to the market in the first quarter of 2016; they are the joint IMRA/Anteo Gold Particle kit and



a Universal Activation kit for Carboxylated Particles, with benefits for users of particles from a broad range of manufacturers and particle sizes.

Anteo's Five Strategic Growth Elements

As discussed previously, we have identified five key strategic areas central to the growth of the Anteo business.



This report summarises the progress made across these five areas. This quarter we will commence the review with the fifth element

1. ACQUISITION OF SYNERGISTIC ASSETS

The acquisition of DIAsource ImmunoAssays SA, a Belgian based global clinical diagnostics company, for €15.4million, is a transformational step in the development of the Anteo Group. Following an extensive due diligence process, using independent firms Baker McKenzie (legal) and Grant Thornton (financial), we are confident it meets the strict financial and operational criteria that the Anteo Board had set for acquisition targets.

DIAsource is a vertically-integrated diagnostic business that develops, manufactures, markets and distributes clinical diagnostic products in the fields of endocrinology, bone metabolism, oncology and infectious diseases. Their business is highly complementary to the Mix&Go business of Anteo Technologies.

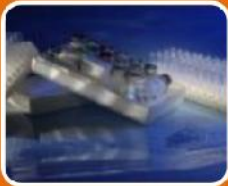



I will briefly summarise key aspects of the DIAsource business by acquisition criteria category

- **Profitability**
 - ✓ 2014 Revenue was €11.9m (A\$18.0m) with an EBITDA of €2.0m
 - ✓ 2015 first half Revenue to June was €7.2m (A\$10.9m) with EBITDA of €1.47m (20.5%). The Revenue is 25% higher than 2014 and key business indicators are in line with management expectations.
 - ✓ The major product lines: radioimmunoassay (RIA), Vitamin D and ELISA platforms are all growing and have clear niches that are well positioned for further growth in mid-tier and specialist pathology laboratories.



- **Technology synergy**
 - ✓ Mix&Go can be used directly to improve performance and profitability of ELISA tests
 - ✓ DIAsource has a significant library of monoclonal antibodies whose value can be enhanced through the use of Anteo products such as the AMG™ Coupling Kit, 200 nm Magnetic Particles for use in Point of Care applications.
- **Accretive nature of the acquisition**
 - ✓ DIAsource facilities are ideally located in the heart of Europe close to many Anteo customers.
 - ✓ ISO 13485 (IVD) / US FDA certified manufacturing facility that enables Anteo to deliver fully certified products directly to IVD manufacturers, reducing known business barriers (expected to benefit two current European based IVD user evaluations).
 - ✓ The DIAsource facility has the manufacturing capacity to include Mix&Go and AMG™ products.
 - ✓ Strong distribution network covering 75 countries
 - ✓ The vertical business and experience of DIAsource directly complements Anteo's innovative development strength.
 - ✓ The Vitamin D assets of DIAsource are well understood by Anteo and represent a potential area of growth across the combined business.
 - ✓ Improved critical mass in our target markets

DIAsource technology descriptions

			
RIA Assays	Vitamin D Assays	ELISA	Antibodies
<p>Radioimmunoassays (RIA) use short life radioactive isotopes, such as 125, for labelling in an immunoassay. RIAs are recognised as extremely sensitive.</p>	<p>Immunoassays that test Vitamin D levels in the blood. Can be of many varieties, including RIA, ELISA and on large automated systems. Point of Care Vitamin D assays are now starting to be developed.</p>	<p>Enzyme-linked immunosorbent assay (ELISA) is a test that uses antibodies and colour change to identify a substance.</p>	<p>An antibody is a protein molecule that can be found in the blood and whose role is to attack bacteria, viruses and foreign substances. These are a basic element of an immunoassay.</p>



This attractive acquisition will bring forward our development program by two to three years. The DIAsource business will quickly move the Anteo Group into a cash flow positive position. It will enable us to more comprehensively address known barriers and risks that customers may have when adopting Anteo products. Combining the two companies will in turn provide a strong and clear path to expanding the DIAsource business.

The acquisition is expected to complete in November at which point Anteo will update the market.

2. EXPLOITING OUR IP

Exploiting IP, by our definition, encompasses the work we undertake with targeted companies to:

- License the use of Mix&Go
- Enter into supply agreements
- Establish research and collaboration agreements.

a) AMG™ Coupling Kit, 200 nm Magnetic Particles

Following the release of the 200nm kit, Anteo engaged US based DCN Diagnostics, a leading, globally recognised company for the commercialisation of high-performance, rapid assay systems, to evaluate the performance of the kit in a lateral flow assay. Lateral flow assays are commonly used for applications such as pregnancy testing and are being developed for an increasingly wide range of other tests.

The study compared the performance of the Mix&Go activated magnetic particles to covalently conjugated magnetic particles in a lateral flow assay that detects human Chorionic Gonadotropin (hCG). This hormone is used to detect early stage pregnancy and is a well-known and tested model system. The conclusions of the study were:

- 1. The Anteo Mix&Go based hCG assay is 5 times more sensitive than the covalently conjugated magnetic particle based test using the same critical reagents.*
- 2. The hCG assay using the Anteo Mix&Go particles used half the amount of antibody to achieve better sensitivity than the covalently conjugated particles.*
- 3. The variability of the Anteo Mix&Go based hCG assay is lower than the covalently conjugated hCG assay. There is also less non-specific binding with the Mix&Go particles.*
- 4. The Anteo Mix&Go particles come fully activated and are ready for the antibody conjugation. The covalent conjugation procedure requires steps to wash and activate the particles before the addition of the antibody. The Mix&Go procedure takes less time with fewer steps than the covalent conjugation procedure.*



The outcomes of this evaluation are representative of the feedback we are receiving from customers, one of whom has entered into a supply agreement, to allow for the inclusion of Mix&Go into currently marketed tests, and several others are discussing terms.

b) IVD laboratory validation program

Each product developed at Anteo has a primary objective of introducing our Mix&Go technology to users in the life science and diagnostic marketplaces. Each AMG™ product is designed to offer a multi-faceted tool kit to recognised problems in immunoassay development.

At Anteo we develop and validate product to the extent that they are marketable for life science purposes. In order to ensure our products meet the IVD sector's strict performance criteria, we use select recognised independent testing centres, including reference laboratories that have the resources, equipment and specimen samples to undertake testing typical within the IVD setting. At this time we are engaged with a number of such laboratories each with distinctive expertise in the fields to be examined. The DCN evaluation of the 200nm kit referenced in point a) above is one example.

Two other examples underway are:

1. AMG™ Activation Kit for Multiplex Microspheres – this kit, focused on users of Luminex systems, is undergoing a three phase assessment at the NMI Institute at the University of Tubingen.
2. AMG™ Coupling Kit, 200 nm Magnetic Particles – for use in sample pretreatment, as discussed in the presentation by Josh Soldo at AACC <http://anteotech.com/video-mixgo-could-solve-clinical-sample-interference/>. Anteo is working with PAML, a leading US medical reference laboratory serving physicians, hospitals, and other allied health professionals; to evaluate the use of the 200nm kit for this purpose.

c) Distribution of Anteo Products

Anteo has now engaged four distributors to sell its Mix&Go and AMG products. Sigma-Aldrich, mentioned in our last report, has completed their internal process preparation to properly launch the Anteo product range. We expect this launch to occur over the next couple of weeks. We look forward to a long association with Sigma-Aldrich and working more closely with them.

Under the agreement, Anteo products will be offered through the Sigma-Aldrich network and online catalogue, providing Sigma-Aldrich's existing global customer base of more than 1.4 million scientists and technologists access to Mix&Go Reagents, Coupling and Activation Kits.

This relationship is important to Anteo because:

- Sigma-Aldrich undertakes thorough testing of the products they distribute; providing assurance to potential users;



- It provides access to Anteo products to a global, scientific audience; and
- It opens direct access to organisations with restricted supplier access, such as US government agencies and IVD users

In addition, post the quarter, Anteo announced it had entered into a non-exclusive distribution agreement with Koma Biotech of Korea on a recommendation from Luminex Inc. This alliance broadens our association with Luminex distributors in the East Asia region, following on from the appointment of Veritas in Japan as a distributor earlier this year.

We are pleased with the manner in which Veritas is addressing the Japanese market following training sessions undertaken by us. Recently they have advised us of positive customer evaluation feedback and progress towards commercial adoption.

Having distributors such as Koma and Veritas working with Anteo in their target markets is an important complementary strategy to that of distribution via a large global supplier like Sigma. In the case of Koma and Veritas, the companies have local representatives, concerned with ensuring that the process of applying Anteo's products in a laboratory setting is understood by customers. The representatives are able to train and troubleshoot in person with local customers to ensure the best outcomes for our Anteo and AMG products in customer environments.

Anteo is delighted to have commenced these distribution arrangements, which will be complementary to DIAsource's global reach.

3. EXPANDING CORE COMPETENCIES AND IP

a) Patent filed on 'Functional Coatings'

A patent application titled "Functional Coating" was filed 20 August, 2015.

The new provisional patent filing describes benefits of Anteo technologies in maintaining the functionality of biological materials (other than proteins) on various synthetic materials.

This provisional patent application expands Anteo's existing IP portfolio into new areas of commercial importance in life science research, diagnostics and clinical applications.

b) Business Development Capability

Our business development capability continued to evolve and improve during the quarter. We have benefited from the engagement of two highly experienced executives, who have recently joined our business development team: Mr Carroll Streetman and Dr Stuart Hazell.



Carroll Streetman is an experienced executive with over 40 years in the healthcare industry. He has had a successful career as President of DiaSorin Inc, the US arm of DiaSorin, an approved in vitro diagnostic and medical device manufacturing company, with worldwide revenues of over USD250 Million. Carroll has over 10 years of global business development experience, with DiaSorin, working with US and European affiliates to implement country by country marketing strategies and assist with the acquisition of new technologies and licenses for product development.

Stuart Hazell has more than 30 years of experience in biomedical science. This includes research (over 110 publications) and senior management roles. He was the Dean of Science at the University of Southern Queensland and has carried out a number of senior business roles. In 2003 he joined Panbio Ltd and rose to be CEO at the time it was sold to Alere in 2008.

We are already benefiting from the expertise and skills of both Carroll and Stuart and look forward to expediting our business development efforts with their input.

Tina Baumgartner moved on from Anteo during the quarter and we thank her for her efforts over a number of years.

4. DEVELOPING OUR PRODUCT PIPELINE

a) Products Under Development

The R&D team continues to develop novel products that meet our diverse customer needs. The forthcoming AMG™ Activation Kit for Carboxylated Particles is a highly anticipated product that is already being tested at the prototype stage by several third party laboratories with positive outcomes. This product is designed to be compatible with both magnetic and non-magnetic (e.g. polystyrene and latex) carboxylated particles of varying size.

In the development program to date Anteo has tested a range of over 20 different particles varying in size and composition from a range of manufacturers. The product is performing well across a number of platforms using both colorimetric and chemiluminescent assays and on clinically relevant systems. The result of this work is that we have scheduled the release of the kit is expected to be released in early 2016.

Similarly, our joint development program with IMRA to produce a gold particle kit for use in Point of Care assays is progressing to schedule. Both IMRA and Anteo are pleased with the collaboration and began promoting the product at the recent Advanced Lateral Flow Course held in Chicago to a great reception. The product is due for release in the 1st quarter of 2016, further broadening the product range on offer from Anteo.



5. EXPLORING NON-CORE OPPORTUNITIES

This quarter a number of non-core opportunities were progressed:

a) **Medical Devices**

Our relationship with Cook Australia is progressing in a positive manner. Both companies are working together constructively. Our recent feasibility prototypes have been well received following the first phase of assessment.

b) **Anteo Energy**

Anteo Energy, activities are progressing according to plan. Battery fabrication as well as intermediate scale up equipment is being progressively assembled and in Q4, a purpose designed battery laboratory will be fully operational. The establishment of internal assembly capabilities will allow faster throughput in testing new formulations. While preliminary cost analysis clearly indicate the commercial viability of Anteo's "drop-in" approach to improved battery performance, it is critical to obtain accurate information at the multi-kilogram scale. This is an intermediate stage prior to larger scale testing in the future.

Apart from infrastructure planning, the company continues to strengthen its current provisional patent application as well as explore other areas critical for improved battery performance. Initial market analysis, competition and competitor analysis is complete and a more detailed analysis is planned.

In summary

It has been a strong and positive quarter for Anteo, with a major step forward via the announcement of the DIAsource acquisition, and significant progress with new distribution agreements, product developments and third party product validation.

The DIAsource acquisition is expected to deliver a range of benefits to Anteo and its shareholders, transitioning Anteo to a cash flow positive business, with global distribution, design and manufacturing capabilities and a broad product range and prospects for continued growth. It will enable DIAsource to leverage the Mix&Go product range and benefits across its range.

While the transaction remains subject to financing and regulatory approvals, it is an exciting outlook and one which fits squarely within Anteo's acquisitive growth strategy.

Our ongoing interactions, including those with PoC1, have continued to progress pleasingly through the quarter. Product development activities have opened up new avenues to explore with both new and existing interested parties.

As demonstrated through all the initiatives discussed in this report, Anteo's technology has real cross-industry value and we look forward to reporting on further progress in what is becoming a transformational time for Anteo.



Our cash position at the end of the quarter was approximately \$3.5M.

Shareholders interested in keeping apprised of our progress should visit our upgraded corporate website at www.anteodx.com and are also invited to register for our Email Alerts, which notify investors as soon as a new update is released to the ASX.

Dr Geoff Cumming
CEO
Anteo Diagnostics Limited

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

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About Anteo Diagnostics Limited

Anteo Diagnostics (ASX: ADO) uses its patented technology to develop, manufacture and commercialise proprietary surface coatings for use in healthcare, life sciences and beyond. Its patented technology is applied in the Mix&Go product range, which delivers solutions to the challenges of establishing highly functional interfaces between fragile biomolecules, and synthetic, and often incompatible materials.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

Anteo Diagnostics Limited

ACN or ARBN

Quarter ended
("current quarter")

75-070-028-625

30-Sep-15

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from customers and government grants	269	269
1.2	Payments for		
	(a) staff costs	(618)	(618)
	(b) advertising and marketing	(193)	(193)
	(c) research and development (excluding staff costs relating to R&D)	(221)	(221)
	(e) other working capital	(826)	(826)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	15	15
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
	Net operating cash flows	(1,574)	(1,574)

NOTES:

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		Current quarter \$A'000	Year to date (3 months) \$A'000
1.8	Net operating cash flows (carried forward)	(1,574)	(1,574)
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) Businesses	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(144)	(144)
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) Businesses	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Adjustment for cash remaining in subsidiary entity at disposal	-	-
	Net investing cash flows	(144)	(144)
1.14	Total operating and investing cash flows	(1,718)	(1,718)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	-	-
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other:		
	Conversion of converting notes	-	-
	Interest paid on converting notes	-	-
	Capital raising costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(1,718)	(1,718)
1.21	Cash at beginning of quarter/year to date	5,207	5,207
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	3,489	3,489

NOTES:

1.20

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Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	244
1.25	Aggregate amount of loans to the parties included in item 1.11	NIL
1.26	Explanation necessary for an understanding of the transactions	

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	NIL	NIL
3.2	Credit standby arrangements	NIL	NIL

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	3,371	5,089
4.2	Deposits at call	118	118
4.3	Bank overdraft		-
4.4	Other - Funds held in trust re. Open Prospectus Offer		-
Total: cash at end of quarter (item 1.23)		3,489	5,207

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Acquisition/disposal of subsidiary		
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets at date of acquisition/disposal		
5.5	Nature of business		

Compliance statement

1

This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act 2001 (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2

This statement **does** give a true and fair view of the matters disclosed.

Sign here:

Date: 30 October 2015

(Director)

Print name: **Richard Martin**