

Anteo enters into unconditional agreement to sell DIAsource

1 September 2017

HIGHLIGHTS

- Unconditional agreement to sell DIAsource for €15,873,000 cash
- Sale restructures balance sheet of the Company with approximately AUD \$6.0 million cash expected to remain after completion, transactional costs, repayment of outstanding debts and amounts payable to DIAsource
- Review of Company's strategy underway to identify a pathway to sustainable growth going forward

Anteo Diagnostics Limited (ASX: ADO) (**Anteo** or **Company**) advises that it has signed an unconditional agreement to sell 100% of the shares of its wholly owned subsidiary DIAsource ImmunoAssays SA (**DIAsource**) located in Louvain-la-Neuve, Belgium, to BioVendor – Laboratorni medicina a.s. (BioVendor) located in the Czech Republic, for €15,873,000 cash. Anteo was advised by ACXIT Capital Management, Frankfurt-based Investment Bank, who coordinated the international sales process.

The closing date for the transaction will be on or around 5 September 2017. The expected net cash inflow to the Company from the transaction will be approximately AUD\$6.0 million cash. This is after transaction costs, repayment of all related outstanding vendor financing commitments and the earn out payments relating to the original DIAsource acquisition, repayment of the short term working capital loan provided by Directors and Shareholders in March 2017 and amounts payable to DIAsource.

Chairman, Dr John Hurrell, commented that, "The sale of DIAsource places the Company in a very healthy financial position after completion, with no debt and continued ownership of our patented nano-coating technology.

"The Company has undertaken an exhaustive process over the past 10 months which sought to refinance the debt obtained as a result of the initial acquisition of DIAsource and which was due for repayment in early October of this year. However, despite the best efforts of management to refinance and due to the decline in the Company's share price, which limited capital funding options, it was considered prudent by the Board to sell the DIAsource business.

"The decision to sell DIAsource was made easier by the fact that the acquisition did not realise the key strategic benefit of providing a major platform for growth of the Company's nano-coating technology which was anticipated at acquisition.

"The Board fully understands that this has been a period of significant uncertainty for our shareholders and a difficult time for our group. We would like to thank our shareholders and our staff for their patience and also thank the DIAsource team for working with us through this process.

“We believe that BioVendor is a strong player who will further contribute to the successful development of DIAsource as a new owner.

“As previously advised Anteo is reviewing the current strategy and will review all aspects of the Company with a view to developing a fresh strategy for sustainable growth going forward and I look forward to providing an update on this in due course.”

Use of Proceeds

The Company will repay in full the outstanding vendor financing commitments and the earn out payments relating to the original DIAsource acquisition of approximately €10.6 million with the issue of 18,826,996 ordinary shares to satisfy €0.2 million of the liabilities with the balance to be repaid out of funds obtained on the settlement of the sale of DIAsource. See Appendix 3B released today.

€0.6 million of the funds will be used to repay amounts payable to DIAsource and estimated costs associated with completing the transaction.

In addition, the sale of DIAsource will trigger repayment of loans from directors and shareholders, as announced on 6 March 2017, of AUD 1,000,000 plus any interest accrued up to the date of repayment.

Additional Information

The Company advises that the likely effects to the Company's financial position as reported in the Appendix 4E today as a result of the sale of DIAsource, the expected issue of shares and repayment of loans are:

1. * Company's consolidated Net Assets will increase by approximately €0.2 million.
2. Total issued capital will increase by €0.2 million to satisfy original purchase of DIAsource.
3. Annual Revenue will remain unchanged.
4. EBITDA loss will decrease in the 2018 financial year by €1.4 million being reductions in interest on loans and earn out adjustments that will no longer be payable due to the anticipated repayment of loans on the settlement of the sale of DIAsource.
5. Loss before tax will decrease in the 2018 financial year by €1.4 million being interest on loans and earn out adjustments that will no longer be payable due to the anticipated repayment of loans on the settlement of the sale of DIAsource.

* The likely effects to the Company's Net Assets are not likely to be significant as the Appendix 4E released on today treated the assets of DIAsource as available for sale assets and liabilities with those net assets written down to the sales price obtained for DIAsource less the estimated costs to sell.

An announcement of changes to the Company's management structure has been released today.

ABOUT ANTEO GROUP – Anteo Diagnostics Limited (ADO:ASX) & Subsidiaries

Anteo Group is a global nanochemistry technology and medical supply group, developing, commercialising, manufacturing and distributing products for the life sciences, clinical diagnostics and bioseparations markets, and creating new applications in the energy and medical devices sectors.

Through Anteo Technology, the Anteo Group owns a patented nanochemistry surface engineering technology which unites the strength and stability of covalent binding with the gentleness of passive binding through multi-point chelation. Through the use of its reagents binders, coatings or primers, Anteo provides materials and services for high-value commercial applications. Markets include protein binding and antibody coupling (e.g. point of care devices), primers for in-vivo medical devices and medical drug delivery, and coatings with commercial applications across a broad range of industry sectors, including life sciences, in vitro diagnostics, medical devices and energy.

ABOUT BIOVENDOR

BioVendor is a major Czech distributor of a wide range of in vitro diagnostic products and a specialized assortment of clinical products. BioVendor is also an internationally active diagnostics and biotechnology company with its own research, development, production and business network.

BioVendor offers a complete assortment for in vitro diagnostics, from immunochemistry through clinical biochemistry, hematology, microbiology, molecular biology to pathology.

For further information on BioVendor: www.biovendor.com/biovendor-group

For more information, please visit www.anteodx.com