

30 June 2018 Unaudited Preliminary Financial Statements

ASX Release

31 August 2018

Financial Summary

Anteo Diagnostics Limited (ASX: ADO) (“**Anteo**” or “**Company**”) presents its 30 June 2018 unaudited preliminary financial statements. The Company changed its reporting currency from Euro to Australian dollars due to the sale of its European Business DIAsource ImmunoAssays SA (“**DIAsource**”) for €15,873,000 (being \$23,634,575) cash on the 5 September 2017.

Due to the sale of the DIAsource business the assets and liabilities of DIAsource and its subsidiaries are classified as a disposal group. Consequently, the assets and liabilities relating to DIAsource are shown as single line items in the statement of financial position. Revenues, expenses, gains and losses of DIAsource are shown as a single line item, “loss from discontinued operations” in the statement of profit or loss and other comprehensive income.

The loss of \$3,359,636 (2017: loss \$7,005,505) from continued operations shows the loss from Australian operations and head office activities. The 52% improvement on prior year reflects a \$4,415,956 reduction in borrowing costs, loss on convertible note derivatives and earn out adjustments which largely relate to the financing of the original acquisition of the DIAsource business to \$566,302 (2017: \$4,982,258) in total. Reductions in selling and distribution expenses, occupancy expenses, administration expenses, research and development expenses and share based payments contributed a further benefit of \$750,844 to \$3,809,570 (2017: \$4,560,414) in total. These reductions in expenditure were offset by a reduction in revenue and other income of \$1,520,931 which was mainly due to a decrease in the research and development grants received. The loss from discontinued operations was \$34,340 (2017: loss \$3,521,769).

The DIAsource business has been valued as at the 30 June 2017 at fair value being the sales price of DIAsource less the costs to sell. This is reflected in the held for sale assets which results in the net assets and liabilities held for sale being valued at \$22,710,254 (being assets held for sale of \$44,328,462 less liabilities held for sale of \$21,618,208).

The Company has \$3,328,684 (2017: \$954,642) of cash on hand as at the 30 June 2018. This was after paying out all the outstanding financial liabilities during the financial year which as at 30 June 2017 was \$16,156,585.

The company recognised research and development grant revenue for the year of \$744,892 (2017: \$2,060,951) which remains as a receivable at year end. This will increase the Company’s cash position when it is received in the 2019 financial year.

More information is provided in the detailed supplementary information in this Appendix 4E.

The preliminary financial statements are unaudited and are in the process of being audited.

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

Anteo Group is a surface chemistry company with Intellectual Property (“IP”) in its core technology product groups: AnteoCoat, AnteoBind and AnteoRelease. The Company’s purpose is to create shareholder value by identifying and solving important global industry problems and providing unique value-add solutions for its customers. Anteo’s customers operate in the Life Sciences, Diagnostics, Energy and Medical Devices markets.

For more information, please visit www.anteotech.com



Anteo Diagnostics Limited

ABN 75 070 028 625

Appendix 4E, Preliminary Final Report

Results for announcement to the market

This preliminary final report is based on unaudited accounts

An Audit Report will be contained within the Company's 2018 Annual Report when issued

Current Reporting Period

Previous Reporting Period

Year ended 30 June 2018

Year ended 30 June 2017

	up/down			\$
Revenue from continued operations	down	-42%	to	236,427
Loss from continued operations after tax attributable to members	down	-52%	to	(3,359,636)
Loss after tax attributable to members	up	-66%	to	(3,609,885)

Dividends / distributions	Amount per security	Franked amount per security
Interim dividend	0.0c	0.0c
Final dividend	0.0c	0.0c

The Directors do not propose or recommend the payment of a dividend

Record date for determining entitlements to the dividend

Not Applicable

Retained earnings	Year ended 30 June 2018 \$	Year ended 30-Jun-17 \$
Accumulated losses at the beginning of the financial year	(52,396,465)	(42,009,191)
Transfer from the share option reserve	184,801	140,000
Net loss for the year	(3,609,885)	(10,527,274)
	<u>(55,821,549)</u>	<u>(52,396,465)</u>

Net tangible assets	As at 30 June 2018	As at 30 June 2017
Net tangible asset backing per ordinary share (Euro Cents)	0.35	0.63

Appendix 4E, Preliminary Final Report

Consolidated statement of profit or loss and other comprehensive Income

	Year ended 30 June 2018	Year ended 30-Jun-17
	\$	\$
Sales	236,427	410,608
Other income	779,809	2,126,559
Cost of sales	-	-
Total revenue and other income	1,016,236	2,537,167
Selling and distribution expenses	(128,168)	(336,534)
Occupancy expenses	(388,450)	(437,617)
Administration expenses	(1,746,853)	(1,927,643)
Borrowing costs	(566,302)	(1,383,568)
Research and development expenses	(1,546,099)	(1,649,315)
Share based payments	-	(209,305)
Loss on convertible note derivative	-	(2,331,740)
Earn out adjustment	-	(1,266,950)
Loss from ordinary activities before income tax benefit	(3,359,636)	(7,005,505)
Income tax benefit relating to ordinary activities	-	-
Loss for the year from continuing operations	(3,359,636)	(7,005,505)
(Loss)/Profit for the year from discontinued operations	(250,249)	(3,521,769)
Loss for the year	(3,609,885)	(10,527,274)
Other comprehensive income		
Exchange difference on translating Australian Operations	(5,610)	208,149
Total other comprehensive income for the period net of tax	(5,610)	208,149
Total comprehensive income/(loss) for the year	(3,615,495)	(10,319,125)
Earnings per share		
Basic earnings per share		
- earnings from continuing operations (cents)	(0.292)	(0.624)
- earnings from discontinuing operations (cents)	(0.022)	(0.314)
	(0.314)	(0.938)
Diluted earnings per share		
- earnings from continuing operations (cents)	(0.292)	(0.624)
- earnings from discontinuing operations (cents)	(0.022)	(0.314)
	(0.314)	(0.938)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS and diluted EPS	1,149,505,986	1,122,300,075



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Notes to the income statement

1 Analysis of Revenues	Year ended 30 June 2018 \$	Year ended 30 June 2017 \$
Revenues from operating activities (continuing operations)		
Sale of goods and services	236,427	410,608
Other Income (continuing operations)		
R&D tax concession	744,892	2,060,951
Rent and Other	16,022	59,284
Interest	18,895	6,324
	<u>779,809</u>	<u>2,126,559</u>
Total Revenue and other income from continuing operations	<u>1,016,236</u>	<u>2,537,167</u>

- 2 On 31 August 2017, the group 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.

DIAsource was written down to its fair market value less costs to sell in the year ending 30 June 2017 resulting in a loss from discontinued operations in that year of \$3,521,769. The sale of DIAsource was finalised on the 5 September 2018 resulting in a loss for the 2018 financial year on discontinued operations of \$34,340

Appendix 4E, Preliminary Final Report

Consolidated statement of financial position

	As at 30 June 2018	As at 30 June 2017
	\$	\$
CURRENT ASSETS		
Cash assets	3,328,684	954,642
Trade and other receivables	3 793,997	135,287
Other	68,700	15,009
Assets and disposal group classified as held for sale	-	44,328,462
TOTAL CURRENT ASSETS	4,191,381	45,433,400
NON-CURRENT ASSETS		
Property, plant and equipment	279,103	380,955
TOTAL NON-CURRENT ASSETS	279,103	380,955
TOTAL ASSETS	4,470,484	45,814,355
CURRENT LIABILITIES		
Trade and other payables	255,471	673,777
Financial liabilities	4 -	16,156,586
Provisions	169,178	226,322
Liabilities included in the disposal group for sale	-	21,618,208
TOTAL CURRENT LIABILITIES	424,649	38,674,893
NON-CURRENT LIABILITIES		
Provisions	17,739	35,983
TOTAL NON-CURRENT LIABILITIES	17,739	35,983
TOTAL LIABILITIES	442,388	38,710,876
NET ASSETS	4,028,096	7,103,479
EQUITY		
Contributed equity	59,061,800	58,737,597
Option Reserve	787,845	972,646
Foreign Exchange Reserve	-	(210,299)
Accumulated losses	(55,821,549)	(52,396,465)
TOTAL EQUITY	4,028,096	7,103,479

Notes to the financial position

	As at 30 June 2018	As at 30 June 2017
	\$	\$
3 Trade and other receivables		
Trade debtors	4,060	107,126
Research and development grant tax offset receivable	744,892	-
Other debtors	45,045	28,161
	793,997	135,287

4 This is the total of the vendor loan provided to acquire DIAsource, the earn out amount owing to vendors of Diasource and loans from shareholders and directors. In September 2017 and as a result of the sale of Diasource all loans were paid out.



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Appendix 4E, Preliminary Final Report

Consolidated statement of cash flows

	Year ended 30 June 2018	Year ended 30 June 2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers	3,996,983	23,098,481
Receipts from government grants and rebates	77,232	2,702,406
Payments to suppliers and employees	(7,763,159)	(24,909,720)
Borrowing costs	(845,105)	(1,244,342)
Interest received	21,865	93,528
Income tax paid	-	(81,022)
Net cash (used in) operating activities	<u>(4,512,184)</u>	<u>(340,669)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for property, plant and equipment	(218,888)	(898,150)
Proceeds from the sale of plant and equipment	2,300	-
Proceeds from the sale of business	23,634,575	-
Transaction costs relating to the sale of business	(610,551)	-
Cash in business sold	(1,542,300)	-
Net cash (used in) investing activities	<u>21,265,136</u>	<u>(898,150)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from share issues	-	223,568
Proceeds from borrowings	(170,000)	1,956,591
Repayment of borrowings	(16,077,221)	(2,978,753)
Capital raising costs	231,454	-
Proceeds from finance leases	-	367,335
Repayment of finance leases	-	(340,298)
Proceeds from the issue of convertible notes	-	661,944
Net cash (used in) provided by financing activities	<u>(16,015,767)</u>	<u>(109,613)</u>
Net increase (decrease) increase in cash held	737,185	(1,348,432)
Opening cash brought forward (including cash in assets held for sale)	2,573,664	3,764,995
Exchange Rate Adjustments	17,835	157,101
Cash in assets held for sale		(1,619,022)
Cash at end of year	<u>3,328,684</u>	<u>954,642</u>
Reconciliation of cash.		
	As at 30 June 2018	As at 30 June 2017
	\$	\$
Cash on hand	1,440	1,312
Cash at bank	3,327,244	953,330
Deposit at call	-	-
	<u>3,328,684</u>	<u>954,642</u>