anteo diagnostics limited

Annual Report 2019

ABN: 75 070 028 625

www.anteotech.com

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CORPORATE DIRECTORY

Directors	Dr John (Jack) Hamilton	Non-Executive Chairman
	Mr Christopher Parker	Executive Director
	Dr Geoffrey Cumming	Non-Executive Director
	Mr Matthew Sanderson	Non-Executive Director
Chief Executive Officer	Mr Derek Thomson	
Company Secretary (& CFO)	Mr Duncan Cornish	
Registered Office	4/26 Brandl Street, Eight Mile Plains QLD 4113	
Business Address	4/26 Brandl Street, Eight Mile Plains QLD 4113	
E-mail	contact@anteotech.com	
Website	www.anteotech.com	
Legal Advisors	ClarkeKann Lawyers Level 23, 240 Queen Street, Brisbane QLD 4000	
Auditors	BDO Audit Pty Ltd Level 10, 12 Creek Street, Brisbane QLD 4000	
Share Registry	Boardroom Pty Limited Level 7, 207 Kent Street, Sydney NSW 2000	
Banker	Australia and New Zealand Banking Group Limited 16 Kerry Road, Archerfield QLD 4108	

CHAIRMAN'S ADDRESS

Dear Shareholders,

It is with great pleasure that I present the 2019 Annual Report of Anteo Diagnostics Limited (ASX: ADO) ("**Company**" or "**Anteo**") to shareholders.

The year just past has been one of turnaround for Anteo, having divested the DiaSource business late 2017, re-focused the strategy through first half of 2018, the 2018-2019 was one of executing the groundwork to setup the delivery of the strategy.

The Company's strategy is focused on two key areas being enhancing the energy storage capacity of lithium-ion batteries in the energy market and secondly, Point of Care testing in the healthcare market. Both these focus areas are large world growth areas and Anteo's core technology has demonstrated the ability to achieve a significant improvement in performance in each of the applications. The year kicked off with the release of verification packs in the Life Science Point of Care (POC) applications of AnteoBind™ which demonstrated 6 to as high 40-time improvement in level of detection in a sample of tests and on varying particle mediums. Similarly, the release in August 2018 of the first external validation of the potential for AnteoCoat™ to enhance the energy storage capacity of Lithium-ion batteries through improved anode technology also attracted international interest.

The lithium-ion battery market is rapidly growing and higher density energy solutions that can support the electric vehicle market, energy storage systems and consumer electronics markets will be required. Building from the release of validation results, Anteo has now attracted 3 international collaborations, two with major global battery component manufacturers and one with a major European Silicon supplier, Spain-based Silicio FerroSolar SLu ("SFS"), a subsidiary of Ferroglobe PLC (NASDAQ: GSM). Results released to the market in March showed the progress Anteo has been making in enhancing those initial validation results and triggered our third collaborator to come on board. The Anteo Energy team's focus is the delivery against these agreed collaboration programs whilst also continuing to enhance and optimize the performance impact AnteoCoat™ makes in allowing increasing levels of silicon to be used in anodes, thus increasing energy storage capacity of Lithium-ion batteries. Anteo's enabling technology to enhance lithium-ion battery performance is targeting a growing global market that is forecast to reach US$ 70 B covering electric vehicle market, energy storage systems, consumer electronics and niche markets over the coming six years (Source: Avicenne Energy 2018).

Similarly, on the POC side of the business the results released to the market last August has regenerated significant interest in applications in POC testing using AnteoBind™. The commercial pipeline has been re-built with now over 25 plus commercial opportunities at differing stages of development being pursued. The Life Science team launched into China in March in partnership with our newly appointed distributor, GeneoDx, an affiliate of SinoPharm, one of China's largest pharmaceutical companies. The launch in March has already turned into having several technical evaluations underway in both PoC as well as In Vitro Diagnostic applications. The applications where AnteoBind™ makes a significant difference is global with a forecast market size in 2020 of around US$ 9 B (Source: Market Data Analysis) and growing at 6 %CAGR.

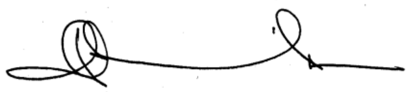
The focus for the coming year will continue turning these foundations into strong commercial outcomes to underpin the Company's potential.

The Company also successfully completed a rights issue securing funding of $3.65 million before costs including taking in over subscription applications. The support of existing and new shareholders was very much appreciated.

Following Mr. Christopher Parker's advice to the Company of wishing to step back to an Executive Director and end his role as CEO, which he had originally taken up on a short-term basis in April 2018, the Company announced the appointment of Derek Thomson as CEO on July 29, 2019. Mr. Thomson has a strong financial background and an excellent track record in business development, team leadership, client relationship management, contract negotiation and is skilled in forming solid commercial partnerships across a range of sectors. He commenced the CEO role on 8 August 2019. I wish to extend my thanks to Chris for the leadership and drive he has bought to Anteo over the past 15 months and look forward to his continued involvement as a director.

At the upcoming AGM in November, the Company will be seeking the approval of shareholders to change the Company name from Anteo Diagnostics Ltd to AnteoTech Ltd. The name change is to better reflect the Company's business which is to leverage its core IP in being a supplier of superior surface modifying specialty products and services targeting world market opportunities currently focused on the Energy and Life Science sectors. The Board believes the new name captures the investment in the past brand whilst better positioning the company with customers, collaborators and the investment market in describing what it is the company is focused on, namely the use of our technology to meet the needs in solving world problems and opportunities. I hope shareholders see fit to support the change at the AGM.

I would like to thank shareholders, employees, customers and suppliers for their continued support during this exciting time for the company. The well-defined growth strategy targeting world market opportunities in Energy Battery storage enhancement and Life Science Point of Care supported by a stable board, a focused research and development group and now our new CEO in Brisbane, we look forward to continuing delivery on our strategy over the coming year.



Dr Jack Hamilton
Chairman
Anteo Diagnostics Ltd
27 August 2019

Strategy

The Company strategy is to leverage its core IP in being a supplier of superior surface modifying specialty products and services focused on the Battery and Life Science diagnostics markets (which includes point of care testing and in vitro diagnostics in the life science sectors).

The strategy for each of the chosen focus areas is:

Energy Division

- Targeting world leading partners to develop initially collaborations to accelerate and validate the potential of AnteoCoat^{TM} in improving silicon content, integration energy density and improve cycle efficiency in Lithium-ion batteries.
- Convert the chosen collaborations into commercial development partnerships leading ultimately to realise the use of AnteoCoat^{TM} in the lithium ion anode battery manufacturing process and the licensing of Anteo's IP for the use of high Silicon content composites in high capacity anodes.

Life Science Division

- Target the rapidly expanding market of quantitative lateral flow point of care diagnostics where the superior conjugation performance of AnteoBind^{TM} can potentially solve difficult assay development problems encountered with the use of Europium, Gold, Quantum Dots, Dyes and potentially Carbon, through:
  - Expanding commercial partnerships to extend the reach of AnteoBind^{TM} to Point of Care Test (POCT) developers.
  - Continue to demonstrate the application potential and build from that a service offering to support technical evaluation stage and initial product development for POC test developers.

In the medical technology sector where the Company's AnteoRelease^{TM} has future potential, the Company has protected its Intellectual Property but slowed development internally in this area given the typical long lead times to realise value.

Background

Anteo is a surface chemistry company with Intellectual Property ("**IP**") in its core technology product groups: AnteoCoat^{TM}, AnteoBind^{TM} and AnteoRelease^{TM}. 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.

The core technology products are utilised in the following sectors:

AnteoCoat^{TM}	–	applicable to the energy sector in Lithium-ion batteries
AnteoBind^{TM}	–	applicable to point of care, in vitro and life science diagnostic sectors
AnteoRelease^{TM}	–	applicable in the medical technology ("MedTech") sector which includes implants for infectious diseases

Energy

Highlights

- Externally validated results released in August demonstrating the potential of AnteoCoat™ in increasing silicon content in anodes.
- Three collaboration agreements executed two with major international battery component manufacturers and one with a major European Silicon supplier.
- Delivered phase 1 of the work program with Collaborator 1 in April and agreed phase 2 validation program. Work with Collaborator 2 (is ongoing with progressive results having been exchanged). Work with Collaborator 3 announced July will get underway through Q3 2019.
- Released updated performance results for AnteoCoat™ in March demonstrating improved performance at silicon levels of 14% (compares to current commercial levels of 6% Silicon content).

Battery Market and the Silicon Challenge

The opportunity is enormous, with the total market size of the Lithium battery market projected to grow to $US72 billion by 2025, as predicted by the 2018 Avicenne Energy report. The anode alone represents up to 7% of the total battery market value making the addressable market for high value active material products alone $US5.0 billion by 2025.

Rapidly advancing applications such as consumer electronics, electric vehicles and energy storage systems rely on lithium-ion batteries with progressively higher energy density to satisfy the need for longer runtimes, smaller and lighter products, and lower cost. Graphite is the conventional anode active material, but it has reached its limits. New materials are required to drive further improvements in the energy density and cost of lithium-ion batteries.

Improvements in energy density can be achieved by incorporating higher energy active materials such as silicon into battery anodes. With a theoretical capacity of 3579 mAh/g, silicon can store almost 10x more energy per weight than graphite (372 mAh/g).

This makes silicon an attractive material to increase the energy density of today's lithium ion batteries, but its use is still limited.

Silicon is currently only added in small quantities to mass produced battery anodes (up to 6%) due to unresolved issues around the effects of its volume expansion and the impact on the stability of the solid electrolyte interface (SEI), which forms between silicon and electrolyte when the battery is charged. These effects result in rapid cell capacity degradation during the course of charge/discharge cycling and poor overall cell performance. To enable higher silicon content anodes the detrimental effects on battery performance caused by this expansion must be addressed with cost-effective and scalable processes.

Increasing silicon in an anode electrode theoretically increases the energy capacity of a battery and will assist with lowering the cost in $/kWh.

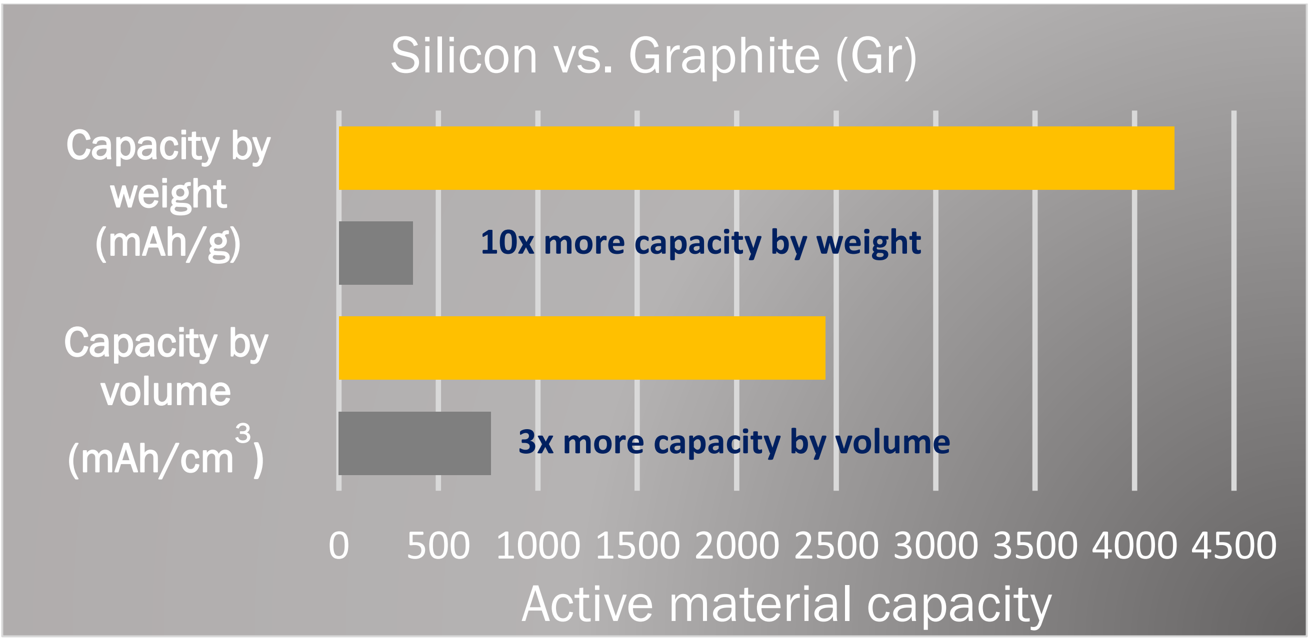


Fig 1: Demonstration of the energy capacity benefit of Silicon versus Graphite in Anodes for Lithium -Ion Batteries.

Anteo Energy Battery Technology Focus

The year commenced with focus on two key areas of the Lithium-ion battery sector using AnteoCoat™ being i**ncreasing silicon content** in lithium-ion battery anodes to increase anode capacity and cell energy density with two approaches being investigated using AnteoCoat™:

- surface coating of silicon particles, and
- composite silicon carbon particles.

The commercial interest generated from the release of the Polaris and CustomCell results published in August 2018 saw the focus narrow on developing composites using AnteoCoat™ combined with Anteo IP in the composite area.

The company established technical capability not only to advance the development of the applications for AnteoCoat™ but also the capacity to electrochemically evaluate the various iterations in house.

The company progressed not only the collaboration work but also, its own advancements resulting in the release end February of an updated data set. The results demonstrated in broad terms, that the Anteo-fabricated silicon composites which form part of the negative electrode in a lithium ion battery, delivered a 57% improvement in reversible cycling capacity over state-of-the-art graphite anodes. This means that owing to the increase in the anode's capacity, more anodes can be incorporated into the same volume of a battery leading to an increase of the battery's energy density by weight and volume. As well, capacity retention of the anode was greater than 80% after 170 cycles, with capacity levels at this cycle number still showing a substantial improvement over a state-of-the-art graphite benchmark. This means that even at cycle 170, the silicon anode can store substantially more charge.

The key results are summarised below and include:

- Outcome 1: High tap density silicon composites were fabricated and successfully integrated into conventional graphite anodes.
- Outcome 2: Two silicon composite electrodes were reproducibly fabricated owing to improvements in process development with a silicon content of 6% and 14% and a strong focus on meeting near term industry demand for higher silicon content anodes.
- Outcome 3: The silicon composite anode containing 14% silicon achieved a 1st delithiation capacity of >600 mAh/g with an ongoing reversible capacity of 550 mAh/g.
- Outcome 4: An anode capacity of 550 mAh/g means a 57% improvement over state-of-the-art graphite anodes (~350 mAh/g).
- Outcome 5: Discharge/charge cycle testing at a commercially useful rate of 0.5C (2 hours) demonstrated good capacity retention of >80% after 170 cycles (tests ongoing).

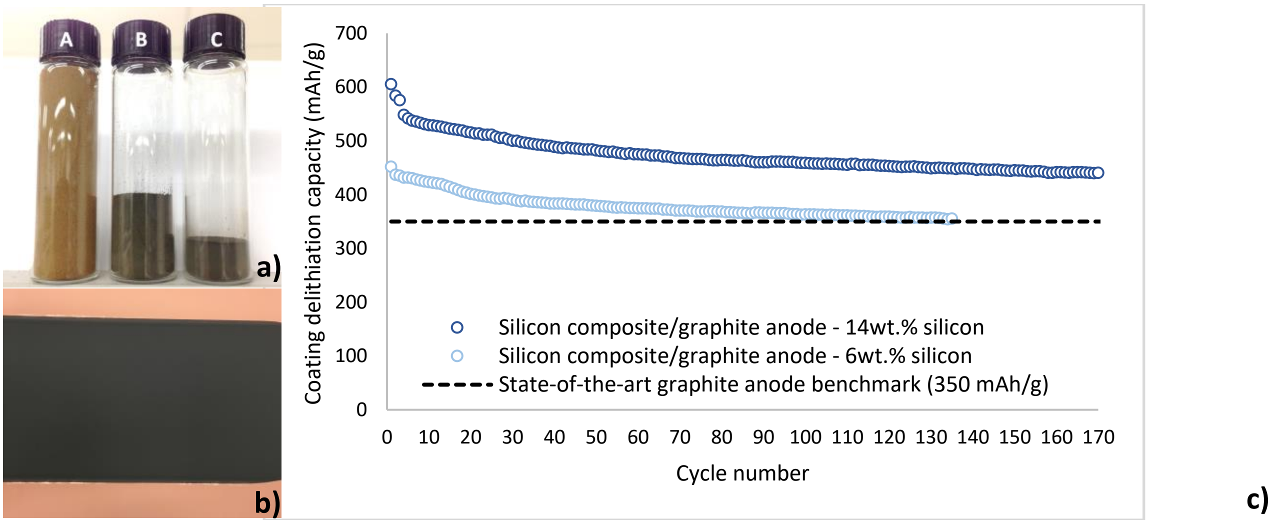
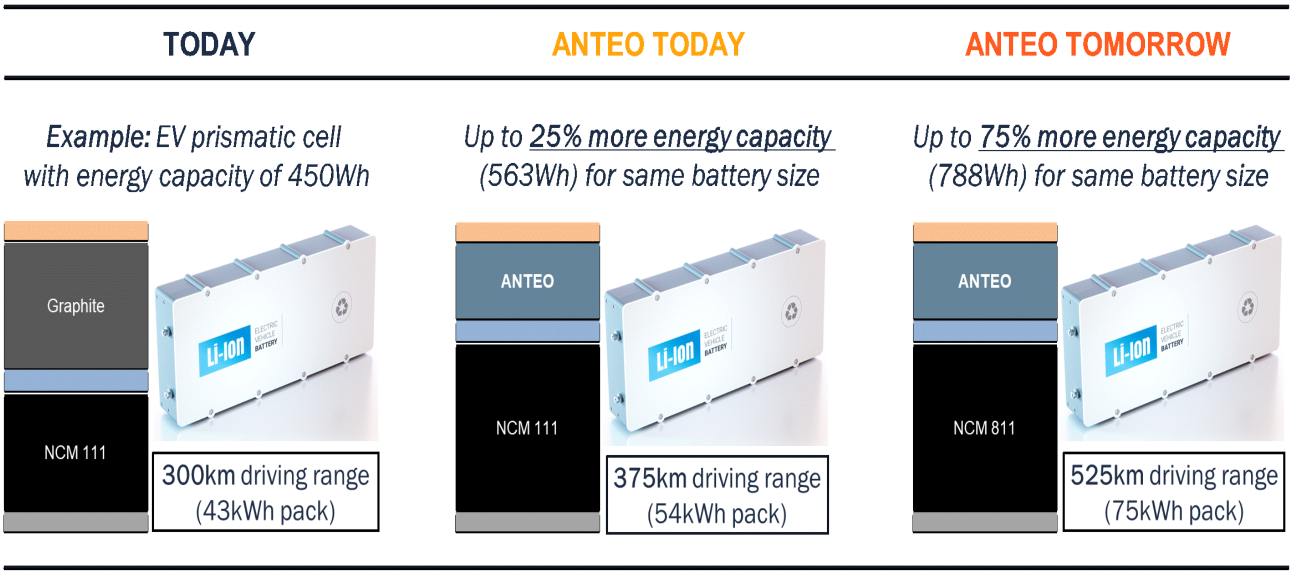


Figure 2: a) Tap density comparison of untreated nano-silicon (Vial A), a first composite (Vial B) and a second composite (Vial C) where all vials contain the same mass of silicon particles b) Anteo fabricated anode electrode coating on copper foil used for electrochemical cycle testing in coin cells c) Electrochemical cycling test of a 6% and 14% silicon composite/graphite anode and comparison against a hypothetical, ideal state-of-the-art graphite anode

These encouraging results were unlocked by rapid advances to composite processing, electrode fabrication and battery testing made by Anteo's development team. Most importantly, the obtained results demonstrate that Anteo fabricated silicon containing anodes can be cycled for an extended period of time while retaining high levels of capacity.

The newly created data further supports Anteo's current direction and commitment in developing industry-first products that improve silicon's integration into conventional graphite anodes while reducing the detrimental effects of silicon on the electrode's overall structure and performance. In general terms, a reversible anode capacity of 550 mAh/g integrated into a conventional battery of constant volume corresponds to a noticeable increase in the range of electrical vehicles and longer runtimes for mobile electronics.



Commercial Progress

In August 2018, the Company executed its first Materials Transfer Agreement ("**MTA**") with a major Asian/ Global Battery Materials and Component Manufacturer. The agreement follows the work that Anteo has been conducting to characterize and validate the potential for AnteoCoat™ in increasing Silicon content and improving the performance and manufacturability of Lithium-ion battery anodes. The outcome of the agreed work program was delivered on time in April 2019, and the outcome of the Phase 1 work program has led to agreement on Phase 2 to occur in the second half of 2019.

The August release of results also attracted a major European Supplier to the battery industry which resulted in the Company's second MTA in November and following collaborative work the collaboration is now subsequently covered by a Memorandum of Understanding (MOU) announced in June with Spanish based Silicio FerroSolar SLu ("SFS"), a subsidiary of FerroGlobe PLC (NASDAQ: GSM)- a leading producer of silicon, silicon metal, silicon- and manganese based alloys and ferroalloys. The MOU aims to strengthen the relationship between the two companies and facilitate a deeper collaboration and explore a joint path forward.

Early July 2019, the Company announced its third collaboration with a leading global battery component manufacturer, who is a globally recognised brand and leading supplier of anodes for use in the electric vehicle market. The agreement sets out the guidelines for a joint material development program where both parties will share materials, test data and knowledge. Most notably, the agreement highlights a clear intention to collaboratively work towards the commercialisation of new high performing battery products.

With a specific focus on further developing Anteo's silicon composites, the first stage under the agreement include establishing project baselines, followed by the second stage which comprises the joint material development and evaluation as well as activities that aim to tailor silicon composite properties to the needs of this particular partner. Work is getting underway in Q3 and the program will progress over the balance of 2019 and into early 2020.

Battery Patents

Anteo has filed its patent application in 18 countries either directly or via the European Patent Organization where the Company will be targeting initially 5 key member countries. The applications continue to progress through the various jurisdictions.

Anteo sought to maximize the protection of the Company's Intellectual Property ("IP") in key lithium-ion battery markets by choosing to file broadly in important lithium-ion battery exporting countries such as China, Hong Kong, Singapore, United States, South Korea, Japan and others.

Further opportunity to enhance Anteo's IP in this area continues to be evaluated.

Looking Forward

The focus for the year ahead is delivering not only on the collaboration programs agreed and enhancing and optimizing the performance of AnteoCoat™ in solving the silicon challenge combined with progressing these collaborations into commercial agreements to set the path forward for the ongoing development of Lithium-ion battery applications.

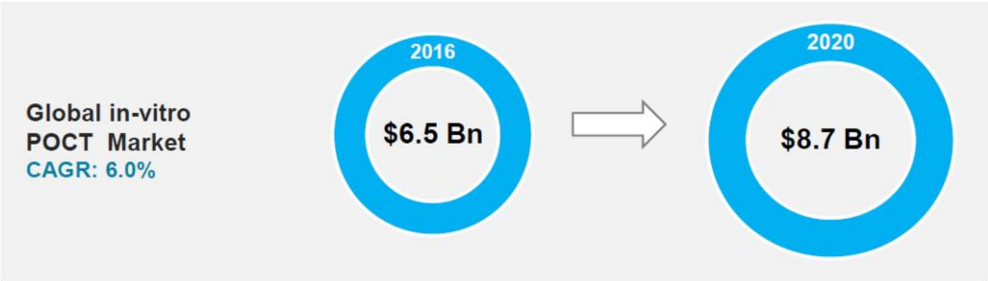
Diagnostics - Point of Care

Highlights

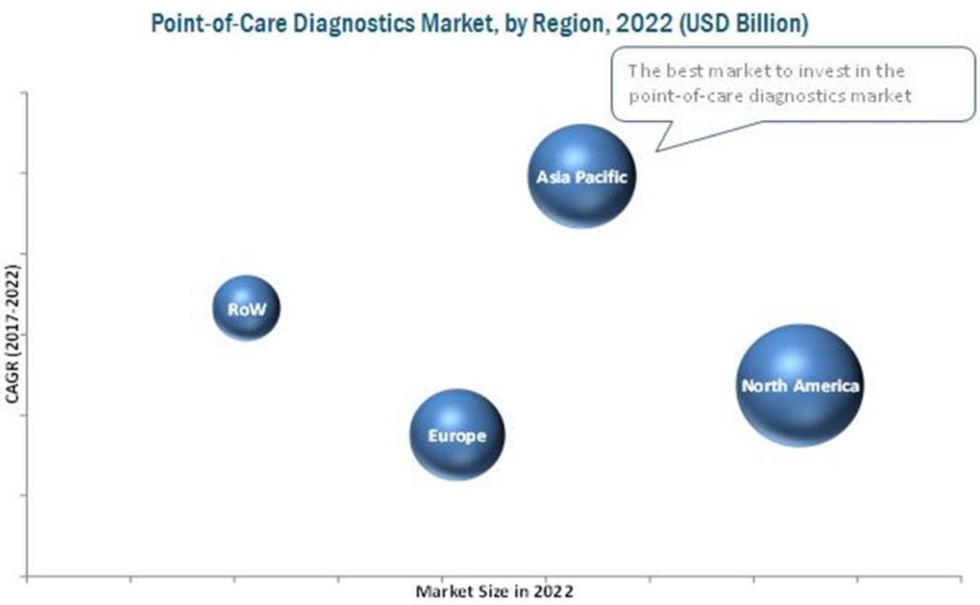
- Positive customer endorsement of the in-house developed, AnteoBind™ Data Validation package at key industry events such as American Association of Clinical Chemistry (AACC), Advanced Lateral Flow Course, Merck IVD conference and more recently, the China Association of Clinical Laboratory Practice (CACLP).
- Continued strong progress in the development of new, ready-to-use AnteoBind™ activated particle kits for use by quantitative Point of Care Testing (POCT) assay and system developers.
- Significant Distribution Agreement executed with a major China based diagnostic company to access the large and rapidly growing Chinese POCT and In-Vitro Diagnostics (IVD) markets.
- New collaboration agreements executed with nanotechnology life sciences firm, Sona Nanotech and lateral flow assay and system developer, Lumos Diagnostics.

Point of Care Market and the Potential Opportunity

Within the overall POCT market, the Lateral Flow Immunoassay (LFIA) segment continues to grow strongly. Quantitative LFIA rapid tests continue to be increasingly popular to assist in speeding up critical testing and diagnosis as opposed to the potentially more complicated laboratory-based testing process where there can be a longer time to patient result



(Source: Market data forecast 2018)



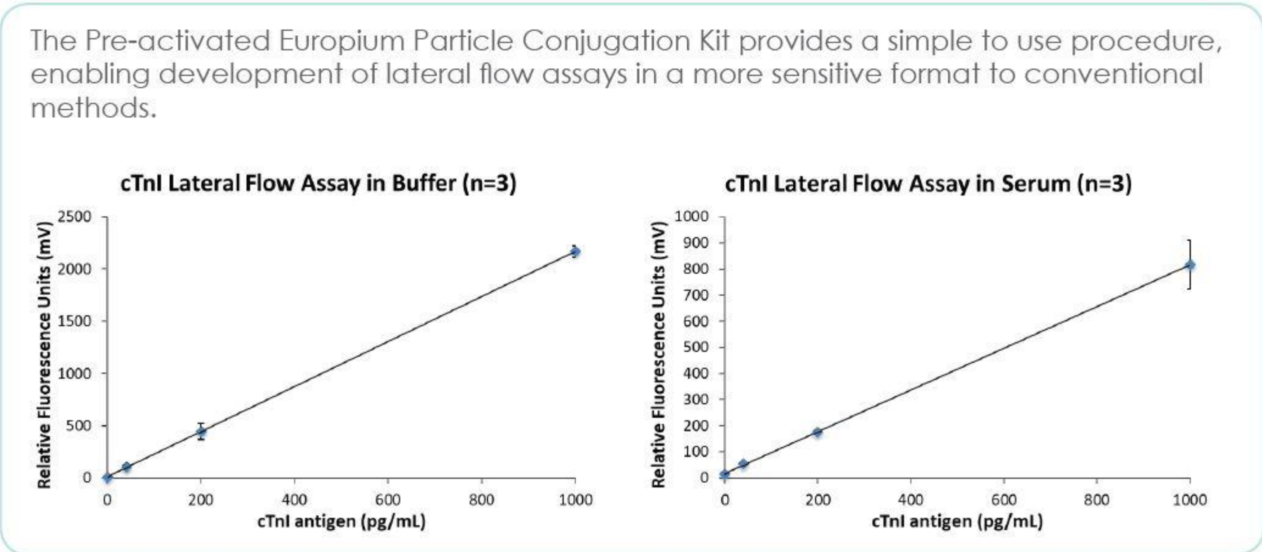
Source: MarketsandMarkets Analysis

These changing market demands are opening new opportunities with a rapidly growing requirement for quantitative POC diagnostic methods with improved limits of detection (sensitivity) and faster time to patient result. An excellent example of this changing market dynamic is seen in the expanding POCT demand in China where domestic manufacturers are looking to improve performance of current generation assays and systems and are eager to embrace new technologies that will help differentiate products in the market and drive development efficiencies. In Western markets this market growth is driven by an increasing demand for more sensitive POCT assays, approaching central laboratory performance, with an ability to deliver quicker and more accurate diagnosis. An example of this would be in the use of POCT in the diagnosis of heart attack in the emergency room or by “first responder” personnel.

Anteo Life Science and Point of Care Technology Focus

This year the Company has continued to execute on our well-defined strategy to focus on broadening the use AnteoBind™ to enhance the capability of both POCT assays and devices, particularly those using lateral flow-based immunoassays (**LFIA**).

A key component of the overall strategy was to develop a comprehensive validation data package to clearly demonstrate the improvements AnteoBind™ would deliver when incorporated in fully commercialized Lateral Flow assays.



Various versions of the data package were showcased at several key industry conferences during the year including:

- the American Association Clinical Chemistry ("AACC") Expo, the world's largest gathering of clinical laboratory professionals and product development specialists,
- the Merck IVD conference in Paris,
- the Advanced Lateral Flow Course ("ALFC") in San Diego (USA) co-hosted by Diagnostics Network (DCN) and QIAGEN and most recently
- the China Association of Clinical Laboratory Practice (CACLP)

Customer reactions to this data package during these industry meetings and with subsequent follow up communications have been extremely encouraging. Based on the positive feedback we have been receiving at these events, Anteo has continued to update the Data Package with additional information to highlight the broad appeal and multiple benefits AnteoBind™ will deliver across the range of assay and particle systems used within the POCT development market. Key areas of interest that have been confirmed from our various interactions over the course of the year include:

- major focus on the significant gains in limit of detection and enhanced sensitivity realised for AnteoBind™ "enhanced" LFIA tests in key areas of interest such as Cardiac, (Troponin), Infectious Disease (Flu A and B), Sepsis (high sensitivity CRP) and Pregnancy (hCG)
- confirmation that AnteoBind™ works equally well across multiple supplier platforms and particle types thus simplifying development process
- Use of AnteoBind™ creates increased opportunities to develop multiple quantitative tests (multiplexing) on a single test strip

While there has been continued strong interest in Anteo's data package, over the course of this year the Company has also been focused on advancing the in-house development of a "suite" of ready-to-use AnteoBind™ Particle Conjugation Kits. With this development, the strategy objective is to advance up the value chain to achieve a higher commercial recognition of the value of Anteo's technology relative to the improved benefits these products will provide to POCT assay and system developers.

Based on feedback from potential customers and end users, Anteo's product development has been focused on an initial target of two AnteoBind™ Particle Conjugation Kits and an AnteoBind™ Activated Particle Kit:

- NANO Kit - for particles less than 500nm (potentially used in POCT assays and systems)
- MICRO Kit - for particles greater than 500nm (potentially used in various In-Vitro Diagnostic applications)
- Activated Europium Kit – for europium particles (specifically used in POCT LFIA development)

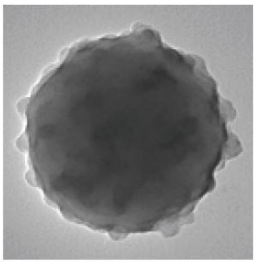


Image: TEM image of antibody conjugated to AnteoBind™ europium particle

The development process for these new ready-to-use Anteo kits is proceeding as planned with a view to launching prototype products for customer assessment by the end of this year.

In addition, Anteo has been progressing its relationship with IMRA and is well on track to complete the development of a ready-to-use Gold Conjugation Kit. The Company, in partnership with IMRA has continued to make strong process and is pleased to report that all technical performance elements have been satisfactorily completed. The remaining aspects of manufacturing process, temperature stability, transportation parameters, and kit packaging format are now being finalised and we expect a potential launch of a prototype kit to the market later this year.

Commercial Progress

While progress on a commercially available, AnteoBind™ "enhanced" kit from IMRA is well advanced, The Company has also been pleased to report several other commercial initiatives throughout the course of the year.

As previously noted, Anteo had set a high priority on finalising a market entry strategy for China this year and in December 2018, the Company entered into a distribution agreement with China based Shanghai GeneoDx Biotechnology Co. Ltd ("**GeneoDx**") (ASX Release 13 December 2018) which is an affiliated company of China National Pharmaceutical Group (SINOPHARM).

The agreement provided immediate access to the extremely large and rapidly growing POCT market and through GeneoDx, access to a vibrant and diverse POCT manufacturing sector eager to embrace new technology and incorporate product enhancing components, such as AnteoBind™ into their POCT assay and system development programs.

In January 2019, key Anteo Research & Development and Product Support staff travelled to China to conduct a detailed product training programme and to visit a select number of prospective major Chinese customers. This initial visit was quickly followed up in March 2019 with a joint exhibition by Anteo and GeneoDx at the CACLP, the largest tradeshow in China focusing on the clinical laboratory and In-Vitro Diagnostics (IVD).

This was an extremely important and valuable opportunity to obtain firsthand customer input and the Anteo team continues remain in almost daily contact to support GeneoDx representatives as they have now embarked on several detailed technical evaluations with customer contacts in both the POCT and IVD market spaces.

In addition to the China Market entry, Anteo was extremely pleased to note the success achieved by Ellume this year. As previously reported (ASX release 17 January 2019) Ellume announced two recent global partnerships – one in December 2018 with global healthcare group GlaxoSmithKline (GSK) focused on improving respiratory care[1], and a second in January 2019 with NYSE-listed QIAGEN N.V.1 which is developing an advanced test for tuberculosis (TB) incorporating Ellume's diagnostic capabilities. Both these partnerships serve to illustrate the performance-enhancing capabilities of AnteoBind™. The integration of the technology into POC systems, similar to those being developed by partners such as Ellume, clearly demonstrate the important supporting role Anteo can play by supplying valuable components that then enable superior performance of those diagnostic systems.

While the important Ellume partnership continues to develop well, Anteo is also diligently working to extend its reach with new potential partners.

Earlier this year Anteo reported (ASX release 17 January 2019) a new collaboration with Canadian Stock Exchange-listed Sona Nanotech Inc. (CSE: SONA). This new collaboration was to allow both parties to combine their respective technologies to co-develop new products having the potential to

[1] https://www.ellumehealth.com/2019/01/08/ellume-announces-another-global-partnership-this-time-with-qiagen-on-the-detection-of-tuberculosis/

speed up the development and improve the performance of POC Lateral Flow tests. Anteo and Sona used important POC targets in the fields of Cardiac, Sepsis and Pregnancy testing to assess the improvements that could be achieved with these lateral flow tests. The positive outcomes generated will be used to encourage other global developers of lateral flow tests in these, and other important testing areas, to adopt Anteo and Sona's new, co-developed products.

Finally, Anteo reported (ASX release 17 June 2019) the signing of a Collaboration Agreement with California based Point-of-Care (POC) company Lumos Diagnostics (**Lumos**), a spin out of medical technology firm Planet Innovation, and a recognised market leader in lateral flow assay development and reader design. This new agreement again focussed on combining both companies' expertise and technology in the development of a high sensitivity, lateral flow test for important biomarkers.

This new project has the potential to strengthen the collaborative relationship between the two parties and provide important new opportunities to more deeply assess the performance advantages that AnteoBind™ could deliver in the commercial development of lateral flow assays.

These newly signed Collaborative Agreements, together with many others currently under development confirms the Anteo Life Sciences team has now effectively re-built a rich and diverse project pipeline and is pursuing over 25 plus commercial opportunities at differing stages of development.

Looking Forward

The focus for the year ahead remains on delivering successful outcomes on the collaboration agreements already agreed and to progress the many new Life Science collaborations under development into commercial agreements that deliver real value to Anteo, recognising the benefits AnteoBind™ technology brings to POCT and IVD assay and system developers globally.

Board and Management Changes

In April 2019 Christopher Parker advised of his desire to transition his role from the Company's Chief Executive Officer ("**CEO**") to an Executive Director. Mr Harley Frankfurt commenced the CEO role on 23 April 2019, however due to personal reasons departed the role in July 2019.

On 29 July 2019 the Company announced that it had appointed experienced senior executive Derek Thomson as the Company's CEO. Mr Thomson commenced on 8 August 2019.

With this appointment, Anteo greatly strengthens its executive ranks, and allows the Company's previous CEO Christopher Parker to focus primarily on driving the expansion and development of Anteo's Life Sciences operations which have multiple near-term growth catalysts. Mr. Parker has extended his executive employment contract through to 30 November 2019, to allow an orderly transition of roles

Capital Raising

On 6 June 2019 the Company issued 331,950,823 Shares and 165,975,303 Options, following the completion of a heavily oversubscribed renounceable rights issue (raising $2.55m) and placement (raising $1.10m), raising a total of $3,651,465 (before costs).

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Your Directors present their report, together with the financial statements on the Company and its controlled entities for the financial year ended 30 June 2019.

DIRECTORS

Persons holding the position of Directors at any time during or since the end of the year are:

Dr John (Jack) Hamilton (Non-Executive Chairman)
Mr Christopher Parker (appointed Executive Director on 23 April 2019)
Dr Geoffrey Cumming (Non-Executive Director)
Mr Matthew Sanderson (Non-Executive Director)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The Directors of the Company at the date of this report and during the year are set out below, together with details of their qualifications, experience and interests in the Company.

Name:	**Dr John (Jack) Hamilton**
Title:	Non-Executive Chairman (appointed 1 April 2018)
Qualifications:	PhD, BChemEng
Experience and expertise:	Dr Hamilton's career spans over 30 years in the energy sector. He has held senior positions across the energy sector over the past 15 years including heading up Australia's largest resource project as Director North West Shelf Ventures for Woodside Energy Ltd, CEO for a Liquid Natural Gas project in PNG following on from a 21 year career with Shell in both local and international roles. His career gained experience across a range of functions including, strategy development, commercial marketing, mergers/acquisitions, capital raisings, manufacturing operations and project management in the energy and petrochemical sectors. Jack is currently a Non-Executive Director with Calix Ltd as well as, on the advisory board for GHD Advisory, a division of GHD Engineering Ltd He formerly held directorships with DUET Group Ltd, Southern Cross Electrical Engineering Ltd, Federation Training and chair of Renu Energy Ltd and Antilles Oil and Gas NL. He graduated from Melbourne University with a degree in Bachelor of Chemical Engineering and a Doctorate of Philosophy in 1981 before joining Shell.
Other current directorships:	Calix Ltd (CXL)
Former directorships (last 3 years):	Duet Group Ltd (DUE) (ceased May 2017), ReNu Energy Ltd (RNE) (ceased March 2017)
Special responsibilities:	Chairman of the Nomination and Remuneration Committee and the Board. Member of the Audit and Risk Committee.
Interests in shares:	13,823,636
Interests in options:	5,886,818
Contractual rights to shares:	None

Name:	**Dr Geoffrey Cumming**
Title:	Non-Executive Director (Director since 2 April 2009)
Qualifications:	B.App.Sc, B.Sc.(Hons.), MBA, PhD, MAICD
Experience and expertise:	Dr Cumming has over 20 years' experience in the healthcare and biotechnology market. His roles have progressed from pure research to sales and marketing roles through to Managing Director level and Board seats. Previously Managing Director of Roche Diagnostic Systems – Oceania Regional Centre, where he transformed a loss making business to one achieving over 30% compound annual growth over a four year period and the highest profitability levels in Roche's global organisation. He was also Managing Director and CEO of an Australian-based biotechnology company commercialising a range of products in cancer diagnosis and treatment. During his tenure he was responsible for taking research from Sydney University through to product registration. This involved capital raising, managing Intellectual Property, investor relations and forging links with relevant international partners. Geoffrey is currently Chairman of ASX listed company Sienna Diagnostics Ltd and is a Non-Executive Director of Multiple Sclerosis Research Australia, a not-for profit organisation.
Other current directorships:	Sienna Diagnostics Ltd (SDX)
Former directorships (last 3 years):	Medical Australia Limited (MLA) (ceased November 2017)
Special responsibilities:	Chairman of the Audit and Risk Committee. Member of the Board and the Nomination and Remuneration Committee.
Interests in shares:	25,769,696
Interests in options:	1,468,182
Contractual rights to shares:	None

Name:	**Mr Matthew Sanderson**
Title:	Non-Executive Director (appointed 19 October 2017)
Qualifications:	None
Experience and expertise:	Mr Sanderson joined the Anteo Board as a Non-Executive Director in October 2017. He has been a director of private investment companies investing in public and private companies for the last 10 years. Mr Sanderson has a focus on strategy and commercial execution of technology. He has a strong focus on providing shareholders with a clear and concise communication platform.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Board, Nomination and Remuneration Committee and the Audit and Risk Committee.
Interests in shares:	6,721,400
Interests in options:	2,628,450
Contractual rights to shares:	None

Name:	**Mr Christopher Parker**
Title:	Executive Director (appointed 23 April 2019)
Qualifications:	BAppSc (QUT) and Grad Dip – Marketing (UTS)
Experience and expertise:	Mr Parker has 20 years of experience in both domestic and international life sciences sectors predominately through a career with Roche Diagnostics ("**Roche**"), an internationally renowned pharmaceutical and diagnostics company. In his final role with Roche, before retiring in the second half 2017, he was Managing Director for UK & Ireland and Management Centre European Agents where he had responsibility for all diagnostic products in the Roche portfolio and an annual budget of £250 million. Prior to this he held various roles in general management, marketing and business development in Canada, Asia and Australia targeting the centralised laboratory, decentralised point-of-care (POC), molecular diagnostics and applied sciences markets.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	8,000,000
Contractual rights to shares:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

COMPANY SECRETARY

Mr Duncan Cornish was appointed as Company Secretary (and Chief Financial Officer) on 28 February 2019, replacing Mr Julien McInally.

PRINCIPAL ACTIVITIES

The principal activities of the Group in the course of the year were the development and commercialisation of its intellectual property which allows for specialised surfaces which can be used in energy, diagnostic and medical device markets. It has three products it is developing being AnteoCoat™, AnteoBind™ and AnteoRelease™ which are used in the energy, diagnostic and medical device markets respectively.

There were no other significant changes in the nature of the Group's principal activities during or after the end of the financial year.

CONSOLIDATED OPERATING RESULT

The net consolidated operating loss of the Group for the financial year, after providing for income tax, amounted to $3,296,840 compared with a loss for the 2018 year of $3,635,633.

As at 30 June 2019, the Group maintained cash reserves of $4,276,118 (2018: $3,328,684 excluding cash from assets and disposal groups classified as held for sale) which will be used in the further development and commercialisation of Anteo Diagnostics Limited's proprietary technology.

DIVIDENDS PAID OR RECOMMENDED

No dividend has been paid to Anteo Diagnostics Limited shareholders during the year and the Directors do not recommend payment of a dividend.

REVIEW OF OPERATIONS

The review of operations is set out in the Operational Report at the start of the Annual Report.

EVENTS AFTER REPORTING DATE

At the time of issuing this report the following events had occurred post Reporting Date.

On 9 July 2019, 2,600,000 Shares were issued to staff as part of the Company's short term incentive plan.

O 29 July 2019 the Group announced that it had appointed Derek Thomson as the Group's CEO. Mr Thomson commenced on 8 August 2019.

On 8 August 2019, 18,000,000 options were issued to the Company's newly appointed CEO as part of his employment contract.

OPERATIONS AND FUTURE DEVELOPMENTS

Going forward the Company will focus on progressing its business strategy in the energy and diagnostics and other market places, as outlined in the Review of Operations.

ENVIRONMENTAL ISSUES

Anteo Technologies Pty. Ltd, a wholly owned subsidiary, is licensed under the Queensland Health (Drugs and Poisons) Regulations 1996 for the use and storage of chemicals for research use. The economic entity complies with all applicable Workplace, Health and Safety requirements.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each Director and other key management personnel of Anteo Diagnostics Limited ("Anteo").

Remuneration Policy

The Board's policy for determining the nature and amount of remuneration for Non-Executive Directors and Executive Directors and Senior Executives (collectively Executives) of the Group is as follows:

The current remuneration structure that has been adopted consists of the following components:

- Fixed remuneration being annual salary;
- Short term incentives, being employee share schemes and bonuses; and
- Long term incentives, being options.

The Nomination and Remuneration Committee assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

The payment of bonuses, share options and other incentive payments are reviewed by the Nomination and Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval.

Remuneration Report (Audited) (Continued)

Short term incentive (STI)

The performance measures involve the use of annual performance objectives, metrics, performance appraisals and continuing emphasis on living the Group values. The performance measures are set annually after consultation with the Directors and Executives and are specifically tailored to the areas where each executive has a level of control. The measures target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.

The KPI's for the Executive Team are summarised as follows:
Performance area:

- Financial – completion of agreements, profitability and/or improvement in share price; and
- Non-financial - strategic goals set by each individual business unit and holistic company-wide performance criteria, including human resources, Workplace, Health & Safety and technical outcomes.

The STI program can incorporate both cash and share-based components for the executive team and other employees. The Board may, at its discretion, award bonuses for exceptional performance in relation to each person's pre-agreed KPIs.

Currently the Board has determined that a combination of base salary and share or share options associated with the Company's share price performance is a satisfactory mix that achieves alignment with the Company's strategy and improved shareholder value. Share bonuses were paid to a small number of employees during the current period.

All remuneration paid to Directors and Executives is valued at the cost to the Group and expensed. Shares (if any) attained by Directors, Executives and employee are valued as the difference between the market price of those shares and the amount paid by the recipients. Options are valued using methodologies set out in Notes 1(s) and 22 of the Financial Statements.

Consolidated entity performance and link to remuneration

Because the consolidated entity is in technology development, there is no direct relationship between the consolidated entity's financial performance and the level of remuneration paid to key management personnel.

The link between remuneration, company performance and shareholder wealth generation is tenuous, particularly in the biotech industry while a company is in the development stage of its intellectual property. Share prices are subject to the influence of international sentiment towards the sector and increases or decreases may occur independently of executive performance or remuneration.

The earnings of the consolidated entity and factors that affect shareholder returns for the five years to 30 June 2019 are summarised below:

	2019	2018	2017	2016	2015
Sales revenue ($)	150,243	236,427	410,608	700,173	465,131
Net loss attributable to owners of the parent entity ($)	3,296,840	3,635,633	10,527,274	5,891,269	4,220,342
Share price at year-end (cents per share)	1.3	1.5	1.6	4.0	7.7
Dividends paid (cents per share)	-	-	-	-	-

The Company may issue options to provide an incentive for key management personnel which, it is believed, is in line with industry standards and practice and is also believed to align the interests of key management personnel with those of the Company's shareholders.

Remuneration Report (Audited) (Continued)

Executive Directors and Executives (Executives)

The remuneration policy of Anteo Diagnostics Limited currently consists of a base remuneration and in some cases the consideration of a short term cash incentive, and a long term incentive through the issue of options at the Board's discretion. The Board believes the policy is appropriate as it repositions itself in the market, aligning Executive objectives with shareholder and business objectives.

The Remuneration Policy, setting the terms and conditions for the Executives was developed by the Nomination & Remuneration Committee, and approved by resolution of the Board. All eligible Executives receive a base salary and superannuation with options issued at the discretion of the Board. The Board of Directors, excluding Executive Directors, review Executive packages annually by reference to the economic entity's performance, Executive performance and comparable information from industry sectors and other listed companies in similar industries. Executive performance is evaluated based on achievement objectives set by the Board. Performance evaluation of Executives was carried out during the reporting period, in accordance with the remuneration policy.

Non-Executive Directors

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Nomination & Remuneration Committee determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Any changes to the maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to performance of the economic entity. However, to align Non-Executive Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in the employee share option plan. Non-Executive Directors may receive a superannuation guarantee contribution required by the Government, which at the date of this report is 9.5%, which forms part of their overall remuneration package, and do not receive any other retirement benefits.

Details of Directors' Remuneration for the Year Ended 30 June 2019

		Short- term benefits		Post-employment benefits	Equity settled share-based payments	
	Notes	Base Fee / Salary	Cash Bonus	Superannuation	Shares or Options	Total
		$	$	$	$	$
J Hamilton		80,000	-	-	-	80,000
C Parker	1	15,000	-	-	-	15,000
M Sanderson		50,000	-	-	-	50,000
G Cumming		45,662	-	4,338	-	50,000
		190,662	-	4,338	-	195,000

A detailed list of the current Directors including their skills and experience can be found in the biographies section of the Directors' Report.

Remuneration Report (Audited) (Continued)

Emoluments of the key management personnel of the group for the Year Ended 30 June 2019

		Short- term benefits		Post-employment benefits	Equity settled share-based payments	
	Notes	Base Fee / Salary	Cash Bonus	Superannuation	Shares or Options	Total
		$	$	$	$	$
C Parker	1	257,400	-	-	50,800	308,200
H Frankfurt	2	53,128	-	5,047	2,625	60,800
J Maeji		205,804	-	5,665	17,000	228,469
J McInally	3	93,840	-	-	-	93,840
D Cornish	4	30,000	-	-	-	30,000
		640,172	-	10,712	70,425	721,310

Notes regarding Directors and key management personnel emoluments:

(1) Mr Parker was appointed as an Executive Director on 23 April 2019, having previously been the Company's Chief Executive Officer (since 23 April 2018). Mr Parker's remuneration is allocated above for his time as a director or key management personnel (as appropriate). Mr Parker provides his services via a related party, Stratigent Consulting Pty Ltd. Any other transactions with Stratigent Consulting Pty Ltd are disclosed as part of related party transactions in the Financial Statements.

(2) Mr Frankfurt was appointed Chief Executive Officer on 23 April 2019 (and resigned on 19 July 2019).

(3) Mr McInally was Chief Financial Officer and Company Secretary until 28 February 2019.

(4) Mr Cornish was appointed Chief Financial Officer and Company Secretary on 28 February 2019.

Details of Directors' Remuneration for the Year Ended 30 June 2018.

		Short- term benefits		Post-employment benefits	Equity settled share-based payments	
	Notes	Base Fee / Salary	Cash Bonus	Superannuation	Options	Total
		$	$	$	$	$
J Hamilton		20,000	-	-	-	20,000
M Sanderson		35,114	-	-	-	35,114
G Cumming		61,857		7,684	-	69,541
R Martin	1	32,498	-	-	-	32,498
J Hurrell	2	128,081	-	-	-	128,081
R Sickman	3	57,500	-	-	-	57,500
A Studley	4	46,999	-	-	-	46,999
		382,049	-	7,684	-	389,733

Remuneration Report (Audited) (Continued)

Emoluments of the key management personnel of the group for the Year Ended 30 June 2018.

	Notes	Short- term benefits		Post-employment benefits	Equity settled share-based payments	
		Base Fee / Salary	Cash Bonus	Superannuation	Options	Total
		$	$	$	$	$
C Parker	5	52,650	-	-	-	52,650
J Maeji		245,335	-	22,755	-	268,090
J Vangenechten	6	84,166	-	-	-	84,166
P Harding-Smith	7	26,410	51,001	5,012	-	82,424
S Enderling	8	94,533	-	8,347	-	102,880
		503,095	51,001	36,114	-	590,210

Notes regarding Directors and key management personnel emoluments:

(1) Mr Martin was a Non-Executive Director until 29 September 2017.

(2) Dr Hurrell was the Non-Executive Chairman at the start of the financial year and became the Executive Chairman on 1 September 2017 until 31 December 2017 at which point he resumed his role as Non-Executive Chairman until 31 March 2018.

(3) Mr Sickman was a Non-Executive Director until 31 March 2018. for the full year. Mr Sickman provided his director services to DIAsource ImmunoAssays, a subsidiary of Anteo Diagnostics, through a related party Fronta Consultants NV. Any other transactions with Fronta Consultants NV are disclosed as part of related party transactions in the Financial Statements.

(4) Mr Studley was a Non-Executive Director until 16 November 2017.

(5) Mr Parker was appointed as Chief Executive Officer on 23 April 2018. Mr Parker provided his services via a related party, Stratigent Consulting Pty Ltd. Any other transactions with Stratigent Consulting Pty Ltd are disclosed as part of related party transactions in the Financial Statements

(6) Mr Vangenechten was the Group Chief Executive Officer until 1 September 2017. Mr Vangenechten provided his services via a related party, Vita BVBA. Any other transactions with Vita BVBA are disclosed as part of related party transactions in the Financial Statements.

(7) Mr Harding-Smith was Group Chief Financial Officer and Co-Company Secretary until 31 July 2017.

(8) Mr Enderling was appointed Chief Executive Officer on the 1 January 2018 until 27 April 2018.

Performance Remuneration as a Proportion of Total Remuneration

The proportion of fixed remuneration for directors and key management personnel during the period was 100% except as follows.

	Fixed remuneration		At risk - short term incentive		At risk - Long term incentive	
Name	2019	2018	2019	2018	2019	2018
C Parker	84%	38%	-	-	16%	62%
H Frankfurt	96%	-	-	-	4%	-
J Maeji	93%	100%	7%	-	-	-

Mr Parker was issued with 8,000,000 options on 10 September 2018 which represented 100% of his long term incentive. As the options have a relatively short term (expiring 30 September 2019), the accounting expense has been incurred in the current period (as opposed to being spread out over a longer option term).

Mr Frankfurt was issued with 15,000,000 options on 29 April 2019 which represented 100% of his long term incentive. The accounting expense is being spread over the term of the options (expiring 23 April 2023).

Mr Maeji was issued with 1,000,000 shares during the period, which represented 100% of his short term bonus.

Remuneration Report (Audited) (Continued)

Options Issued or Vested as Part of Remuneration for the Year Ended 30 June 2019

As noted above, Mr Parker and Mr Frankfurt were issued with 8,000,000 and 15,000,000 options respectively during the year ended 30 June 2019.

Key terms of the options were as follows:

	Grant Date	Expiry Date	Number Issued	Vesting Date	Vesting Condition Price Cents*	Exercise Price Cents	Fair Value at Grant Date Cents
i)	10/09/18	30/09/19	4,000,000	n/a*	2.980	0.01	0.760
ii)	10/09/18	30/09/19	4,000,000	n/a*	4.250	0.01	0.510
iii)	29/04/19	23/04/23	3,000,000	n/a*	3.710	0.01	1.526
iv)	29/04/19	23/04/23	6,000,000	n/a*	5.566	0.01	1.406
v)	29/04/19	23/04/23	6,000,000	n/a*	9.276	0.01	1.229

*The options noted above contain market-based performance conditions where the Company must meet certain weighted average share prices (as stated above) for the options to vest. None of the options have vesting conditions that are date determined

None of the options had vested at 30 June 2019 or by the date of this report.

No options were issued to Directors during the year ended 30 June 2018.

Share Based Compensation

The number of options held by directors and key management personnel (who held office during the year) as at 30 June 2019.

Directors

Name	Balance 1 Jul 18	Granted as Remuneration	Options Lapsed	Options Sold or Exercised	Options Acquired	Balance 30 Jun 19	Total Vested and exercisable 30 Jun 19
J Hamilton	-	-	-	-	5,886,818	5,886,818	5,886,818
C Parker	-	8,000,000	-	-	-	8,000,000	-
M Sanderson	-	-	-	-	2,628,450	2,628,450	2,628,450
G Cumming	-	-	-	-	1,468,182	1,468,182	1,468,182
	-	8,000,000	-	-	9,983,450	17,983,450	9,983,450

Remuneration Report (Audited) (Continued)

Key Management Personnel

Name	Balance 1 Jul 18	Granted as Remuneration	Options Lapsed	Options Sold or Exercised	Options Acquired	Balance 30 Jun 19	Total Vested and exercisable 30 Jun 19
H Frankfurt	-	15,000,000	-	-	-	15,000,000	-
J Maeji	-	-	-	-	-	-	-
J McInally	-	-	-	-	-	-	-
D Cornish	-	-	-	-	-	-	-
	-	15,000,000	-	-	-	15,000,000	-

The number of options held by directors and key management personnel (who held office during the year) as at 30 June 2018.

Directors

Name	Balance 1 Jul 17	Granted as Remuneration	Options Lapsed	Options Sold or Exercised	Options Acquired	Balance 30 Jun 18	Total Vested and exercisable 30 Jun 18
G Cumming	6,000,000	-	(6,000,000)	-	-	-	-
R Martin	6,000,000	-	(6,000,000)	-	-	-	-
S Anderson	3,000,000	-	(3,000,000)	-	-	-	-
J Hurrell	6,000,000	-	(6,000,000)	-	-	-	-
	21,000,000	-	(21,000,000)	-	-	-	-

Key Management Personnel

Name	Balance 1 Jul 17	Granted as Remuneration	Options Lapsed	Options Sold or Exercised	Options Acquired	Balance 30 Jun 18	Total Vested and exercisable 30 Jun 18
S Enderling	-	12,000,000	(12,000,000)	-	-	-	-
P Harding-Smith	2,000,000	-	(2,000,000)	-	-	-	-
J Maeji	2,400,000	-	(2,400,000)	-	-	-	-
	4,400,000	12,000,000	(16,400,000)	-	-	-	-

Options Outstanding

The number of options outstanding to directors or key management personnel as at 30 June 2019 was as follows.

Remuneration Report (Audited) (Continued)

Directors

Name	Options Granted No.	Options Vested No.	Grant Date	Vesting Date	Vesting Condition Cents*	Value per option Cents	Exercise price Cents	Expiry Date
C Parker	4,000,000	-	10/09/18	n/a*	2.980	0.760	0.01	30/09/19
C Parker	4,000,000	-	10/09/18	n/a*	4.250	0.510	0.01	30/09/19
	8,000,000	-						

Key Management Personnel

Name	Options Granted No.	Options Vested No.	Grant Date	Vesting Date	Vesting Condition Cents*	Value per option Cents	Exercise price Cents	Expiry Date
H Frankfurt	3,000,000	-	29/04/09	n/a*	3.710	1.526	0.01	23/04/23
H Frankfurt	6,000,000	-	29/04/19	n/a*	5.566	1.406	0.01	23/04/23
H Frankfurt	6,000,000	-	29/04/19	n/a*	9.276	1.229	0.01	23/04/23
	15,000,000	-						

*The options noted above contain market-based performance conditions where the Company must meet certain weighted average share prices (as stated above) for the options to vest. None of the options have vesting conditions that are date determined

None of the options had vested at 30 June 2019 or by the date of this report.

There were no options outstanding to directors or key management personnel as at 30 June 2018.

Shareholdings

Number of shares held by or at the nomination of Directors and key management personnel as at 30 June 201 and their movements during the period are provided below:

Name	Balance 1 Jul 18	Received as remuneration	Rights issue purchases	Additions	Disposals/ other	Options exercised	Balance 30 Jun 19
J Hamilton	1,050,000	-	11,773,636	1,000,000[1]	-	-	13,823,636
C Parker	-	-	-	-	-	-	-
M Sanderson	1,464,500	-	5,256,900	-	-	-	6,721,400
G Cumming	22,833,333	-	2,936,363	-	-	-	25,769,696
H Frankfurt	-	-	-	-	-	-	-
J Maeji	5,535,436	1,000,000	-	-	-	-	6,535,436
J McInally	-	-	-	-	-	-	-
D Cornish	-	-	-	-	-	-	-
	30,883,269	1,000,000	19,966,899	1,000,000	-	-	52,850,168

[1] Shares purchased on market

Remuneration Report (Audited) (Continued)

Number of shares held by or at the nomination of Directors and key management personnel as at 30 June 2018 and their movements during the period are provided below:

Name	Balance 1 Jul 17	Received as remuneration	Rights issue allotted	Additions	Disposals/ other	Options exercised	Balance 30 Jun 18
J Hamilton	-	-	-	1,050,000 [1]	-	-	1,050,000
G Cumming	22,833,333	-	-	-	-	-	22,833,333
M Sanderson	-	-	-	1,464,500 [2]	-	-	1,464,500
C Parker	-	-	-	-	-	-	-
J Maeji	5,535,436	-	-	-	-	-	5,535,436
J Hurrell	-	-	-	500,000 [1]	(500,000) [3]	-	-
R Martin	5,400,000	-	-	-	(5,400,000) [3]	-	-
R Sickman	4,664,800	-	-	4,704,866 [4]	(9,369,666) [3]	-	-
J Vangenechten	4,664,800	-	-	4,704,867 [4]	(9,369,667) [3]	-	-
A Studley	2,000,000	-	-	-	(2,000,000) [3]	-	-
P Harding-Smith	-	-	-	-	-	-	-
	45,098,369	-	-	12,424,233	(26,639,333)	-	30,883,269

[1] Shares purchased on market

[2] Shares held at the date of appointment

[3] Shares held at the date of their resignation.

[4] Shares issued in accordance with the share purchase agreement with the Vendors of DIAsource

Employment Contracts of Senior Executives

Christopher Parker

Mr Parker was appointed Chief Executive Office ("**CEO**") on 23 April 2018 for an initial three-month period which was consequently extended. On the 10 September Mr Parker agreed to extend his contract until 30 June 2019. At that time, it was agreed that along with his Mr Parker's base salary, he would receive a performance based option package. The contract with Mr Parker can be terminated by either party giving 10 business days notice and there are no special termination provisions other than as provided in his performance based option package.

Performance based options package - 8,000,000 options issued to Mr Parker or his nominee which vest as follows:

- 4,000,000 options vesting on a volume weighted average price (VWAP) of 2.98 cents per share for 30 consecutive trading days at any time before 30 September 2019.
- 4,000,000 options vesting on a volume weighted average price (VWAP) of 4.25 cents per share for 30 consecutive trading days at any time before 30 September 2019.
- In the event, the Company terminates the agreement, except for cause, prior to 30 June 2019, then the all options will automatically vest on the date of termination.

No options issued to Mr Parker shall vest unless he remains engaged by the Company until the earlier of 30 June 2019 or the vesting date for each bundle of options except in the case the Company terminates without cause in accordance with bullet point 3 above.

Remuneration Report (Audited) (Continued)

All options issued to Mr Parker expire on the earlier of:

- 30 September 2019; or
- 90 days after the date on which the Mr Parker ceases to be engaged by the Company; or
- if the agreement is terminated for cause and unless otherwise determined by the Board, the date of termination.

The exercise price of all options issued to Mr Parker are 0.01 cents.

On 23 April 2019, Mr Parker was appointed as an Executive Director concurrent with the appointment of Mr Harley Frankfurt as CEO. Mr Parker's contract was amended by agreement to reflect his transition from full time CEO to Executive Director. The key terms were:

1. No change until 31 May,2019.
2. $15,000 fee per month for June and July 2019, for 10 days each month.
3. $7,500 fee per month from August 2019, for five days each month.
4. Additional (agreed) time to be charged at a rate of $1,500 per day.

Harley Frankfurt

Mr Frankfurt was appointed Chief Executive Office ("**CEO**") on 23 April 2019, and resigned effective 19 July 2019.

Mr Frankfurt's base salary was $280,000 per annum, plus compulsory superannuation.

Mr Frankfurt had a short-term incentive ("**STI**"), whereby he is able to earn up to 15% of his base salary, paid 50% in cash and 50% in shares (to be priced at the 30-day VWAP at the start of each performance year). Key performance targets will be established by the Board for each performance year against which the STI payable will be assessed.

Mr Frankfurt was issued a long-term incentive ("**LTI**") of 15,000,000 options which were to vest as follows:

- 3,000,000 options vesting on a volume weighted average price (VWAP) of 3.710 cents per share for 30 consecutive trading days at any time before 23 April 2023.
- 6,000,000 options vesting on a volume weighted average price (VWAP) of 5.566 cents per share for 30 consecutive trading days at any time before 23 April 2023.
- 6,000,000 options vesting on a volume weighted average price (VWAP) of 9.276 cents per share for 30 consecutive trading days at any time before 23 April 2023.

All LTI options issued to Mr Frankfurt expire on the earlier of:

- 23 April 2023; or
- 90 days after the date on which the Mr Frankfurt ceases to be engaged by the Company; or
- if the agreement is terminated for cause and unless otherwise determined by the Board, the date of termination.

The exercise price of all options issued to Mr Frankfurt are 0.01 cents.

Mr Frankfurt resigned on 19 July 2019. As result, the options issued to Mr Frankfurt will expire, if not exercised, on 17 October 2019.

Remuneration Report (Audited) (Continued)

Derek Thomson

Mr Thomson was appointed Chief Executive Office ("**CEO**") on 8 August 2019.

Mr Thomson's base salary is $280,000 per annum, plus compulsory superannuation.

Mr Thomson had a short-term incentive ("**STI**"), whereby he is able to earn up to 20% of his base salary, paid 50% in cash and 50% in shares (to be priced at the 30-day VWAP at the start of each performance year). Key performance targets will be established by the Board for each performance year against which the STI payable will be assessed.

Mr Thomson was issued a long-term incentive ("**LTI**") of 18,000,000 options which were to vest as follows:

- 3,000,000 options vesting on a volume weighted average price (VWAP) of at least 2.300 cents per share for 30 consecutive trading days at any time before 8 February 2021
- 3,000,000 options vesting on a volume weighted average price (VWAP) of 2.834 cents per share for 30 consecutive trading days at any time before 8 August 2023.
- 6,000,000 options vesting on a volume weighted average price (VWAP) of 4.251 cents per share for 30 consecutive trading days at any time before 8 August 2023.
- 6,000,000 options vesting on a volume weighted average price (VWAP) of 7.086 cents per share for 30 consecutive trading days at any time before 8 August 2023.

All LTI options issued to Mr Thomson expire on the earlier of:

- 8 August 2023; or
- 90 days after the date on which the Mr Thomson ceases to be engaged by the Company; or
- if the agreement is terminated for cause and unless otherwise determined by the Board, the date of termination.

The exercise price of all options issued to Mr Thomson are 0.01 cents.

The contract with Mr Thomson can be terminated by either party giving three months notice and there are no special termination provisions other than as provided in his LTI option package.

Joe Maeji

Mr Joe Maeji is engaged on an open-ended contract that provides for termination by either party with a notice period of 2 months. There are no special termination provisions.

Duncan Cornish

The Company has a services agreement with Corporate Administration Services Pty Ltd ("**CAS**") and Duncan Cornish, the Company's CFO and Company Secretary. Both the Company and CAS are entitled to terminate the agreement upon giving not less than 45 days written notice. The base fee under the services agreement is $90,000 per annum, with provision for additional services to be charged at an hourly rate, in effect from 1 March 2019.

There are no terms in any of the above agreements that provide for changes to remuneration for future periods. The Nomination & Remuneration Committee may review these arrangements annually or as required.

Other Transactions with Key Management Personnel

Other transactions with key management personnel are outlined in note 17 to the financial statements.

This is the end of the audited Remuneration Report.

MEETINGS OF DIRECTORS

During the financial year, 10 meetings of Directors, 2 meetings of the Audit & Risk Committee and 3 meetings of the Nomination & Remuneration Committee were held. Attendances were as follows:

Director Name	Director Meetings		Audit & Risk Committee		Nomination & Remuneration Committee	
	No. eligible to attend	Number attended	No. eligible to attend	Number attended	No. eligible to attend	Number attended
J Hamilton	10	10	2	2	3	3
C Parker	2	2	-	-	-	-
M Sanderson	10	10	2	2	3	3
G Cumming	10	10	2	2	3	3

INDEMNIFYING OFFICERS OR AUDITOR

The Company's Constitution provides that the Company will indemnify officers of the Company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or officer of the Company other than conduct involving a wilful breach of duty in relation to the Company.

The Company has paid premiums to insure the Directors and officers against such liabilities that may arise. No premiums were paid for the auditor.

SHARE OPTIONS

At the date of this report, the un-issued ordinary shares of Anteo Diagnostics Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price Cents	Number under option
10 September 2018	30 September 2019	0.01	8,000,000
29 April 2019	23 April 2023	0.01	15,000,000
6 June 2019	6 December 2020	2.00	195,187,019
8 August 2019	23 April 2023	0.01	18,000,000
Total			**236,187,019**

All options are on issue to employees, advisors or investors. 8,000,000 options on issue are held by the previous Chief Executive Officer (C Parker) who is now a director, 15,000,000 options on issue are held by another previous Chief Executive Officer (H Frankfurt) and 18,000,000 options were issued subsequent to 30 June 2019 to the current Chief Executive Officer (D Thomson). 195,187,019 options were issued as part of the June 2019 Rights Issue (165,975,303 to investors and 29,211,716 to advisors).

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence as the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The details of fees paid or payable for audit services and non-audit services are provided in note 6 of the financial statements.

CORPORATE GOVERNANCE

The Company's Corporate Governance Statement, prepared in accordance with the 3rd Edition of Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council, can be found on the Anteo website at https://www.anteotech.com/corporate_governance_policy#governance.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 63, which forms part of this report.

Signed in accordance with a resolution of the Board of Directors.

Dr Jack Hamilton
Chairman
Dated this 27th day of August 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Sales revenue	2	150,243	236,427
Other income	2	140,017	779,809
Total revenue		290,260	1,016,236
Selling and distribution expenses		159,282	128,168
Occupancy expenses		286,050	388,450
Administrative expenses		1,277,538	1,772,601
Research expenses		1,691,805	1,546,099
Share based payments		172,425	-
Borrowing costs		-	566,302
Profit / (loss) before income tax	3	(3,296,840)	(3,385,384)
Income tax benefit (expense)	4	-	-
Profit/(loss) for the year from continuing operations		(3,296,840)	(3,385,384)
Profit/(loss) Loss for the year from discontinued operations	21	-	(250,249)
(Loss) for the year		(3,296,840)	(3,635,633)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss		-	-
Exchange difference on translating Australian Operations		-	(4,397)
Total other comprehensive income for the period net of tax		-	(4,397)
Total comprehensive income/(loss) for the period		(3,296,840)	(3,640,030)
Loss per share			
Basic loss per share			
- Loss from continuing operations (cents)	7	(0.28)	(0.29)
- Loss from discontinuing operations (cents)	7	-	(0.02)
		(0.28)	(0.31)
Diluted loss per share			
- Loss from continuing operations (cents)	7	(0.28)	(0.29)
- Loss from discontinuing operations (cents)	7	-	(0.02)
		(0.28)	(0.31)

The financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 $	2018 $
CURRENT ASSETS			
Cash and cash equivalents	8	4,276,118	3,328,684
Trade and other receivables	9	74,710	793,997
Other	10	105,257	68,700
TOTAL CURRENT ASSETS		4,456,085	4,191,381
NON-CURRENT ASSETS			
Property, plant and equipment	11	311,597	279,103
TOTAL NON-CURRENT ASSETS		311,597	279,103
TOTAL ASSETS		4,767,682	4,470,484
CURRENT LIABILITIES			
Trade and other payables	12	234,492	281,219
Provisions	13	112,893	169,178
TOTAL CURRENT LIABILITIES		347,385	450,397
NON-CURRENT LIABILITIES			
Provisions	13	185,166	17,739
Deferred tax liability		-	-
TOTAL NON-CURRENT LIABILITIES		185,166	17,739
TOTAL LIABILITIES		532,551	468,136
NET ASSETS		4,235,131	4,002,348
EQUITY			
Contributed equity	14	62,421,151	59,061,800
Share option reserve	14	170,272	787,845
Accumulated losses		(58,356,292)	(55,847,297)
TOTAL EQUITY		4,235,131	4,002,348

The financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Ordinary Shares $	Options $	Accumulated Losses $	Foreign Exchange $	Total $
Balance at 1 July 2017	**58,737,597**	**972,646**	**(52,396,465)**	**(210,299)**	**7,103,479**
Contributions by and distributions to owners					
Issued during the year	324,203	-	-	-	324,203
Reversal of lapsed share options	-	(184,801)	184,801	-	-
Transfer of foreign exchange reserve on discontinued operations	-	-	-	214,696	214,696
Total Contributions by and distributions to owners	324,203	(184,801)	184,801	214,696	538,899
Comprehensive Income for the year					
Loss for the year			(3,635,633)	-	(3,635,633)
Other Comprehensive Income, net of tax			-	(4,397)	(4,397)
Total Comprehensive income			(3,635,633)	(4,397)	(3,640,030)
Balance at 30 June 2018	**59,061,800**	**787,845**	**(55,847,297)**	**-**	**4,002,348**
Balance at 1 July 2018	**59,061,800**	**787,845**	**(55,847,297)**	**-**	**4,002,348**
Contributions by and distributions to owners					
Issued during the year	3,770,459	-	-	-	3,770,459
Capital raising costs	(411,108)	-	-	-	(411,108)
Reversal of lapsed share options	-	(787,845)	787,845	-	-
Options expensed	-	170,272	-	-	170,272
Total Contributions by and distributions to owners	3,359,351	(617,573)	787,845	-	3,529,623
Comprehensive Income for the year					
Loss for the year	-	-	(3,296,840)	-	(3,296,840)
Other Comprehensive Income, net of tax	-	-	-	-	-
Total Comprehensive income	-	-	(3,296,840)	-	(3,296,840)
Balance at 30 June 2019	**62,421,151**	**170,272**	**(58,356,292)**	**-**	**4,235,131**

The financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Cash Flow from Operating Activities			
Receipts from customers		150,243	3,996,983
Receipts from government grants and rebates		870,962	77,232
Payments to suppliers and employees		(3,378,682)	(7,763,159)
Borrowing costs		-	(845,105)
Interest received		11,547	21,865
Other		2,400	
Net cash used in operating activities	15	(2,343,530)	(4,512,184)
Cash Flows from Investing Activities			
Proceeds from the sale of business		-	23,634,575
Transactions costs related to sale of business		-	(610,551)
Cash in business when sold		-	(1,542,300)
Payment for property, plant and equipment		(78,234)	(218,888)
Proceeds from the sale of property, plant and equipment		-	2,300
Net cash provided by investing activities		(78,234)	21,265,136
Cash Flows from Financing Activities			
Proceeds from share issues	14	3,651,459	-
Proceeds from borrowings		-	231,454
Repayment of borrowings		-	(16,077,221)
Capital raising costs		(282,261)	(170,000)
Proceeds from finance leases		-	-
Repayment of finance leases		-	-
Net cash provided by (used in) financing activities		3,369,198	(16,015,767)
Net increase (decrease) in cash held		947,434	737,185
Cash at start of year (including cash from assets held for sale)		3,328,684	2,573,664
Foreign exchange adjustments		-	17,835
Cash at end of year	8	4,276,118	3,328,684

The above statement of cash flow (for the year ended 30 June 2018) includes the cash flows from discontinued operations of DIAsource ImmunoAssays SA. A summary of discontinued cash flows are included in note 21.

The financial statements should be read in conjunction with the accompanying notes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The consolidated financial statements of Anteo Diagnostics Limited and its controlled entities for the financial year ended 30 June 2019 comprises Anteo Diagnostics Limited and its controlled entities (together referred to as the "Group"). Anteo Diagnostics Limited (the "parent") is a listed public company incorporated in, and domiciled in Australia.

The consolidated financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards an Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under the Australian Accounting Standards. Compliance with Australian Accounting Standards and Interpretations ensures that the financial statements and notes also comply with the International Financial Reporting Standards and Interpretations.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2019. The financial report has been prepared on an accruals basis and are based on historical costs, except for cash flow information or where otherwise disclosed.

The disposal of DIAsource ImmunoAssays SA during the previous financial year was a significant commercial, operational and financial change for the Group and its accounting treatment and its impact on accounting policies for the Group was carefully considered. As DIAsource was considered to be a disposal group at 30 June 2018 there were significant accounting changes as to how the financial performance and the assets and liabilities were disclosed in the financial statements (see note 21).

Presentation Currency

During the financial year ended 30 June 2018 the Board of the parent entity resolved to change the reporting currency used in the consolidated financial statements from the Euro (€) to Australian dollar ($). The reason for this change was that with the disposal of DIAsource ImmunoAssays SA during the prior year the activities and assets of the group were in Australia and hence it was no longer considered appropriate to use the Euro as the Company's reporting currency. The financial report was restated to AUD using the procedures outlined below:

1. Statement of profit or loss and other comprehensive income has been translated into AUD dollars using average foreign currency rates prevailing for the relevant period.
2. Assets and liabilities in the Statement of Financial Position, including foreign currency translation reserve, retained earnings, share capital and other reserves, have been translated into AUD dollars using historical rates.
3. Earnings per share have been restated to AUD dollars to reflect the change in presentation currency.
4. The Statement of Financial Position as at 30 June 2016 was translated into AUD dollars using historical rates for comparative purposes.

Going Concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

For the year ended 30 June 2019 the Group generated revenue of $290,260, a consolidated loss of $3,296,840 and incurred operating cash outflows of $2,343,530. As at 30 June 2019 the Group has cash and cash equivalents of $4,276,118, net assets of $4,235,131 and no debt.

As the Group is currently losing making, the Group's ability to continue to adopt the going concern assumption will depend upon a number of matters including subsequent successful raisings in the future of necessary funding and the successful sales and/or commercialisation of the Group's intellectual property and projects.

The directors have concluded as a result of the requirement to raise funds in the future there exists a material uncertainty that may cast significant doubt regarding the Group's ability to continue as a going concern and therefore, the Group may be unable to realise their assets and discharge their liabilities in the normal course of business.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nevertheless, after taking into account the current financial position of the Group, the Group's ability to raise further capital (evidenced by the successful June 2019 capital raising of $3,651,465 before costs) and the progress made on exploiting its intellectual property, the Directors have a reasonable expectation that the Group will have adequate resources to fund its future operational requirements and for these reasons they continue to adopt the going concern basis in preparing the financial report.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments with original maturities of three months or less.

(b) Comparatives

When required by accounting standards or accounting policy, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(c) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months, are measured as the present value of the estimated future cash outflows to be made by the Group in respect of the services provided by employees up to reporting date.

Contributions to defined contribution superannuation plans are expensed when incurred.

(d) Financial assets

Financial assets are initially measured at fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent to initial recognition, these investments are assessed at each reporting date to determine whether there is any evidence that an investment is impaired.

(e) Foreign currency

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in the statement of profit or loss and other comprehensive income in the period in which they arise.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On consolidation, assets and liabilities have been translated into Australian Dollars at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Australian Dollars at the closing rate. Income and expenses have been translated into Australian Dollars at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

(f) Goods and services tax

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables and payables.

(*g) Cash flows*

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(h) Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

(i) Government grants

Government grants are assistance by the government in the form of transfers or resources to the Group in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government grants include government assistance where there are no conditions specifically relating to the operating activities of the Group other than the requirement to operate in certain regions or industry sectors.

Government grants relating to income are recognised as income over the periods necessary to match them with the related costs.

(j) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill and intangible assets that have an indefinite useful life are tested for impairment at each reporting date and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment is treated as a revaluation increase.

(k) Income tax

<u>Current tax</u>

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

<u>Deferred tax</u>

Deferred tax is accounted for using the liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Group intends to settle its current tax assets and liabilities on a net basis.

<u>Current and deferred tax for the period</u>

Current and deferred tax is recognised as an expense or income in the statement of profit or loss and other comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Intangible assets

Patents, trademarks, licenses and business lines

Acquired patents are capitalised on the basis of the costs incurred to acquire the specific patent. Customer relationships, patents, business lines and other intangible assets acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values. Where these assets have a finite life they are amortised over their useful life. Business lines are considered to have infinite useful lives.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, where applicable, as these assets are then considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note1 (j).

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expense.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development costs are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives.

(m) Overheads

The Company allocates overheads for the entity to its business cost centres. This procedure has been adopted in this period to more accurately represent operating costs of the Group.

(n) Payables

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

(o) Principles of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiaries as of 30 June 2019.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Property, plant and equipment and hybridomas

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment and leased assets. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. The following estimated useful lives are used in the calculation of depreciation:

Buildings	4%
Leasehold improvements	10% - 50%
Plant and equipment	5% - 40%
Furniture and office equipment	10% - 40%
Leased plant and equipment	20%

The hybridomas is an antibody generating unit that does not have a definitive life. This asset is assessed for impairment at each reporting date.

(q) Provisions

Provisions are recognised when the Group has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(r) Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised when the group sells a product to the customer. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location or alternatively is collect on site, the risk of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance has been satisfied.

Rendering of services

Revenue for a contract to provide services is recognised by reference to the stage of completion of the contract. Revenue is not recognised until each milestone has been successfully completed under the terms of the contract.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Royalties, grants and licence fees

Royalty, grant and licence fee revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(s) Share-based payments

Share-based payments are measured at fair value at the date of grant using a binomial option pricing model or probabilistic pricing model that takes into account the share price at grant date, exercise price, performance hurdles prices if any, expected volatility (determined by reference to historical volatility of the share price and as benchmarked against peer companies), option life, the risk free rate, and the fact that the options are not tradeable.

The fair value determined as at the grant date of the share-based payments is expensed on a straight line basis over the vesting period, based on the economic entity's estimate of shares that will eventually vest.
Terms and conditions of Share-based payments are set out in the remuneration report.

(t) New accounting standards and interpretations

The Group applies, for the first time, AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers. The adoption of these new Standards did not have any material impact on the amounts recognised in the financial statements of the group for the current or prior periods. However, the accounting policies have changed from that disclosed in the 30 June 2018 financial statements. The new accounting policies for the group adopted for the first time in these financial statements are:

AASB 15 Revenue from Contracts with Customers

AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The adoption of AASB 15 has not impacted the amounts disclosed within the financial statements.

The 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.

The major sources of income are from product sales of its surface modification kits including its Mix and Go products.

Revenue from the sale of goods is recognised when the group sells a product to the customer. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location or alternatively is collect on site, the risk of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance has been satisfied.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Variable Consideration and Warranties

Contracts do not provide for discounts or rebates which give rise to variable consideration. Neither do they contain provision for extended warranties.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The adoption of this standard has not impacted the amounts disclosed in these financial statements.

(a) Classification and Measurement

Except for certain trade receivables, under AASB 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under AASB 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The new classification and measurement of the Group's debt financial assets are, as follows:

Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion.

This category includes the Group's Trade and other receivables.

The assessment of the Group's business models was made as of the date of initial application, 1 July 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets. There has been no adjustment made to the amounts disclosed as a result of the application of this standard.

The accounting for the Group's financial liabilities remains largely the same as it was under AASB 139.

(b) Impairment

The adoption of AASB 9 has altered the Group's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

AASB 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.
For Contract assets and Trade receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The adoption of the ECL requirements of AASB 9 has not resulted in any material change in impairment allowances of the Group's debt financial assets at July 1 2018.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A number of new accounting standards have been issued but are not yet effective and have not been early adopted early by the Group. Information on the more significant standards are listed below.

AASB 16 Leases

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the group's operating leases. As at the reporting date, the group has non-cancellable operating lease commitments of $380,409, see note 18.

The group expects that its operating lease commitments will be recognised on the Statement of Financial Positionas an asset and a liability. This standard will also have an impact on reported performance and cash flows.

(u) Critical Accounting Estimates and Judgements

Key Estimates

Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets, specifically intangibles goodwill and other non-current assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Per AASB 136 value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

During the prior year the board decided to sell subsidiary DIAsource ImmunoAssays SA (DIAsource) making it a disposal group for the purposes of AASB 5 "non-current assets held for sale and discontinued operations". Accordingly, all of its assets or liabilities were disclosed as held for sale. AASB 5 requires that such assets and liabilities to be held for sale are measured and disclosed at the lesser of its carrying amount or fair value less selling costs. The group when measuring and ultimately disclosing the fair value less selling costs for the assets and liabilities for the disposal group used the actual sale of DIAsource (see note 24) as the basis for measurement. The sale of this subsidiary was completed in the current year.

(v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(x) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

	Note	2019 $	2018 $
2. REVENUE AND OTHER INCOME			
Revenue from operating activities:			
Sales of goods and services		150,243	236,427
Other income			
R&D tax concession		126,070	744,892
Rent & other		2,400	16,022
Interest		11,547	18,895
Total other income		140,017	779,809

The Company's R&D tax concession claim for the year ended 30 June 2019 is in its final stage of preparation however has not been lodged with the ATO as at the date of this report. As such no revenue has been recognised in the for the year ended 30 June 2019. The Company expects the claim to be of a similar quantum to the prior period claim, based on the level of qualifying expenditure during the period.

	Note	2019 $	2018 $
3. LOSS FROM CONTINUING ACTIVITIES			
The loss from continuing activities before income tax expense has been determined after:			
Depreciation of non-current assets:			
Plant and equipment		111,296	124,409
Furniture, office equipment and software		22,022	21,690
Amortisation of leasehold asset		53,908	-
Total depreciation of non-current assets		187,226	146,099
Staff remuneration			
Salaries		1,545,018	1,336,110
Superannuation contributions		83,497	104,384
Share Based Payments		172,425	-
Total staff remuneration		1,800,940	1,440,494
Operating lease rentals		236,290	318,322

	Note	2019 $	2018 $
4. INCOME TAX EXPENSE			
(a) The prima facia income tax on the loss from ordinary income tax is reconciled as follows:			
Prima facie tax calculated at 27.5% (2018 – 27.5%) on losses from continuing operations		(906,631)	(1,015,615)
Add/(deduct) tax effect of:			
Interest and borrowing costs		-	108,366
Other deductible items		-	-
Non-deductible items		-	46,610
Options expensed for accounting purposes		47,417	-
R&D tax incentive		-	(223,461)
R&D expenditure pertaining to R&D tax incentive		-	463,396
Consolidation adjustment to continued operations		-	114,337
Timing differences not brought to account to the extent of income tax losses for continued operations.		859,214	506,367
Income tax (benefit) attributable to ordinary activities		-	-
Income tax expense comprises			
Income tax attributable to ordinary activities		-	-
Deferred tax expense/income		-	-
Income tax expense (benefit)		-	-
(**b) Prima facie tax calculated at 33.9% Belgium tax rate for on losses from discontinued operations**		-	84,834
Non-deductible / (deductible) amounts relating to discontinued operations		-	(88,954)
Income tax (benefit) attributable to discontinued operation	21	-	4,120
Income tax expense comprises			
Income tax attributable to ordinary activities		-	2,535
Deferred tax expense/income		-	(6,655)
Income tax expense (benefit)	21	-	(4,120)
(2) Deferred tax Assets arising from income tax losses not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(j) occur (2019: recognised at 27.5%, 2018 at 30.0%)		11,777,995	12,043,297
Gross income tax losses		42,829,073	40,144,324

5. DIRECTORS' AND KEY MANAGEMENT REMUNERATION

(a) Directors and key management personnel

Names and positions of Directors and key management personnel in office at any time during the financial year have been included in the Remuneration Report. Refer to note 20 for related party transactions related to key management personnel remuneration.

(b) Directors' remuneration and key management personnel

	2019 $	2018 $
Short-term benefits	830,835	936,146
Long-term benefits	70,425	-
Post-employment benefits	15,050	43,798
Total	916,310	979,942

6. AUDITORS' REMUNERATION

	2019 $	2018 $
The auditor of the Company was BDO Audit Pty Ltd during the year ended 31 June 2019. Grant Thornton Audit Pty Ltd was the previous auditor of the Company.		
Remuneration of the auditors of the company for:		
a) Assurance services		
- BDO Audit Pty Ltd	67,270	33,925
- Grant Thornton Audit Pty Ltd	-	65,987
- Other Auditors	-	25,748
b) Non-assurance services		
- BDO	32,844	-
- Overseas associated firms of Grant Thornton Audit Pty Ltd	-	20,775
- Other Auditors	-	10,000
Total	100,114	156,435

7. LOSS PER SHARE (EPS)

	2019 Number of shares	2018 Number of shares
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS	1,178,323,206	1,149,505,986

Options are considered to be potential ordinary shares. For the years ended 30 June 2019 and 2018 their conversion to ordinary shares would have had the effect of reducing the loss per share and therefore considered to be anti-dilutive. Accordingly, the options were not included in the determination of diluted earning per share. There were 23,000,000 (2018: 33,200,000) options on issue as at 30 June 2019 which have not been taken into account for loss per share calculations.

	Note	2019 $	2018 $
8. CASH AND CASH EQUIVALENTS			
Cash on hand		1,788	1,440
Cash at bank		4,274,330	3,327,244
Total		4,276,118	3,328,684
9. TRADE AND OTHER RECEIVABLES			
Current			
Trade debtors		7,461	4,060
Provision for impairment of receivables		-	-
Trade debtors net		7,461	4,060
Research and development tax offset receivable		-	744,892
Other debtors		67,249	45,045
Total		74,710	793,997

All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

	Note	2019 $	2018 $
10. OTHER ASSETS			
Current			
Prepayment		105,257	68,700
Total		105,257	68,700
11. PROPERTY, PLANT AND EQUIPMENT			
Plant and equipment, at cost		1,940,784	1,890,578
Accumulated depreciation		(1,765,375)	(1,654,079)
		175,409	236,499
Furniture and fittings, office equipment, at cost		388,702	395,858
Accumulated depreciation		(341,817)	(353,254)
		46,885	42,604
Leasehold asset at cost		143,211	-
Accumulated depreciation		(53,908)	-
		89,303	-
Total property, plant and equipment		311,597	279,103

11. PROPERTY, PLANT & EQUIPMENT (continued)

Movements in carrying amounts

Movement in carrying amounts for each class of property, plant and equipment between the beginning and end of the financial year is as follows:

	Leasehold Assets	Plant and Equipment	Furniture & fittings, office equipment	Total
	$	$	$	$
Cost				
At 30 June 2017	**-**	**1,872,574**	**392,021**	**2,264,595**
Additions	-	25,678	22,204	47,882
Disposals	-	(7,674)	(18,367)	(26,041)
At 30 June 2018	**-**	**1,890,578**	**395,858**	**2,286,436**
At 30 June 2018	**-**	**1,890,578**	**395,858**	**2,286,436**
Additions	143,211	50,206	28,028	221,445
Disposals	-	-	(35,184)	(35,184)
At 30 June 2019	**143,211**	**1,940,784**	**388,702**	**2,472,697**
Depreciation				
At 30 June 2017	**-**	**1,529,672**	**353,968**	**1,883,640**
Depreciation	**-**	124,409	21,690	146,099
Disposals	**-**	(2)	(22,404)	(22,406)
At 30 June 2018	**-**	**1,654,079**	**353,254**	**2,007,333**
At 30 June 2018	**-**	**1,654,079**	**353,254**	**2,007,333**
Depreciation	53,908	111,296	22,022	187,226
Disposals	**-**	-	(33,459)	(33,459)
At 30 June 2019	**53,908**	**1,765,375**	**341,817**	**2,161,100**

	Note	2019	2018
		$	$
12. TRADE AND OTHER PAYABLES			
Trade creditors		129,809	153,495
Sundry creditors and accrued expenses		104,683	127,724
Total		234,492	281,219

All amounts are short term. The net carrying value of trade and other payables is considered a reasonable approximation of fair value.

	Note	2019 $	2018 $
13. PROVISIONS			
Current			
Employee benefits		112,893	169,178
		112,893	169,178
Non-current			
Employee benefits		30,524	17,739
Make good provision – leasehold asset		154,642	-
		185,166	17,739

Provisions relate to employee benefits including holiday pay and long service required by law plus bonus payable in accordance with employee agreements (if applicable).

14. CONTRIBUTED EQUITY AND RESERVES

	2019 Number	2018 Number	2019 $	2018 $
14 (a). Contributed equity ordinary shares				
At 1 July	**1,152,756,577**	**1,133,929,581**	**59,061,800**	**58,737,597**
Issue of shares	338,950,823	18,826,996	3,770,459	324,203
Costs associated with share issues	-	-	(411,108)	-
At 30 June	**1,491,707,400**	**1,152,756,577**	**62,421,151**	**59,061,800**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders' meetings each ordinary share is entitled to one vote when a poll in called, otherwise each shareholder has one vote on a show of hands.

On 17 December 2018 the Company issued 7,000,000 fully paid Ordinary Shares to staff as bonus. The Shares were valued at $0.017 per Share at the date of issue.

On 6 June 2019 the Company issued 331,950,823 Shares and 165,975,303 Options, following the completion of a heavily oversubscribed renounceable rights issue (raising $2.55m) and placement (raising $1.10m), raising a total of $3,651,465 (before costs).

On 31 August 2017, the Company issued 18,826,996 fully paid Ordinary Shares as consideration in accordance with the share purchase agreement ("SPA") to acquire DIAsource ImmunoAssays SA ("**DIASource**") entered into on 25th August 2015 and the subsequent amending agreements. This payment along with other payments made in relation to loans from the DIAsource vendors resulted in the Company owning the DIAsource business outright which allowed for the sale of the business for €15,873,000 ($23,634,576) cash and which was settled on 5 September 2017 (see note 24).

14. CONTRIBUTED EQUITY AND RESERVES (continued)

	2019 $	2018 $
14 (b). Share options		
At 1 July	**787,845**	**972,646**
Options expensed	170,272	-
Lapsed options	(787,845)	(184,801)
Exercised options	-	-
At 30 June	**170,272**	**787,845**

	2019 Number	2018 Number
14 (c). Options analysis		
At 1 July	**33,200,000**	**67,500,000**
Options issued during the period	23,000,000	12,000,000
Options lapsed during the period	(33,200,000)	(46,300,000)
At 30 June	**23,000,000**	**33,200,000**

During the year ended 30 June 2019 the Company issued a total of 23,000,000 options to two CEO's of the Company, details of which are set out in the Directors' Report.

During the year ended 30 June 2019 33,200,000 options with an exercise price of $0.03 expired.

During the year ended 30 June 2018 the Company agreed to issue to Mr Stephen Enderling 12,000,000 options with an exercise price of $0.0292 upon commencement of his role as Chief Executive Officer on 1 January 2018. The options were not issued however for accounting purposes due to the key terms being agreed the options are treated as issued during the year. Consequently, the options expired during the same period upon Mr Enderling retiring as Chief Executive Officer of the Company.

During the year ended 30 June 2018 46,300,000 options lapsed or expired as follows: 2,000,000 options with an exercise price of $0.078, 17,200,000 options with an exercise price of $0.12, 1,400,000 options with an exercise price of $0.135, 12,000,000 options with an exercise price of $0.20,1,000,000 options with an exercise price of $$0.25, 12,000,000 options with an exercise price of $0.0292 and 700,000 with an exercise price of AUD 0.265.

Capital Management

Management controls the capital of the group to ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital, options and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

14. CONTRIBUTED EQUITY AND RESERVES (continued)

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of cash position, share issues and sale of assets.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year.

	Note	2019 $	2018 $
Total payables	12,13	532,552	468,136
Less cash and cash equivalents	8	(4,276,118)	(3,328,684)
Net cash deficit / (surplus)		(3,743,566)	(2,860,548)
Total equity		4,235,132	4,002,348
Gearing ratio		88%	71%

15. CASH FLOW INFORMATION

15. (a) Reconciliation of cash flow from operating activities

	Note	2019 $	2018 $
Cash flow from operating activities			
Net loss		(3,296,840)	(3,635,633)
Non-cash items:			
Depreciation and amortization		187,226	313,247
(Profit)/loss on disposal of non-current assets		1,725	1,341
(Profit)/loss on disposal of DIAsource		-	22,757
Share based remuneration		172,425	197,452
Borrowing costs		-	(331,633)
Transfer from foreign exchange reserve to discontinued operations		-	214,696
Changes in assets and liabilities			
Decrease / (increase) in receivables		719,287	(646,155)
Decrease / (increase) in inventory		-	85,066
Decrease / (increase) in other current assets		(36,557)	(53,691)
(Decrease) / increase in trade creditors & accruals		(46,727)	(564,859)
(Decrease) / increase in provisions		(43,501)	(107,806)
Foreign exchange adjustments		(568)	1,212
(Decrease) / increase in deferred tax liability		-	(8,178)
Net cash flows from operations		(2,343,530)	(4,512,184)

15. CASH FLOW INFORMATION (continued)

15. (b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities for the year ended 30 June 2018, arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes					
	Balance as at 1 July 2017	Financing cash flows	Disposal of group classified as held for sale	Equity component of repayment of loans	Foreign exchange	interest	Option expense related to loans	Balance as at 30 June 2018
	$	$	$	$	$	$	$	$
Deferred consideration	15,322,701	14,870,930	-	324,201	(192,161)	319,731	-	-
Directors' loan	198,218	192,022	-	-	-	6,196	-	-
Shareholder's loan	635,668	804,990	-	-	-	28,130	(197,452)	-
Loans in group classified as held for sale	-	(22,175)	22,175	-	-	-	-	-
	16,156,587	**15,845,767**	**22,175**	**324,201**	**(192,161)**	**354,057**	**(197,452)**	**-**

16. SEGMENT REPORTING

Since the sale of DiaSource in the 2018 financial year the Group has determined that it has only one operating segment. The operating segment identified is based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. Management currently identifies the group as having only one operating segment, being the development of the Anteo IP. All significant operating decisions are based upon analysis of the group as one segment. The financial results from the segment are equivalent to the financial statements of the Group as a whole.

17. RELATED PARTY TRANSACTIONS

Key management personnel

Disclosures relating to key management personnel remuneration are set out in note 5 and the Remuneration Report in the Directors' Report.

Transactions with related parties

There were no transactions with related parties during the year ended 30 June 2019. Set out below are details of transactions with related parties during the year ended 30 June 2018.

Fronta Consultants NV

Mr Sickman was a Director of Fronta Consultants NV. During the year ended 30 June 2018, the Group completed the following transactions with the related party:

- Fronta Consultants NV received a deferred settlement amount totalling 4,704,866 ordinary shares at a value of $81,005 as a result of the agreement to acquire the DIAsource business in previous years.
- Vendor loans and Earn Out Fees in the amount of $2,909,897 were paid to Fronta Consultants NV upon the completion of the sale of DIAsource.
- Interest and break fees in the amount of $137,702 were paid to Fronta Consultants NV upon the completion of the sale of DIAsource.
- Director loans in the amount of $89,552 and related interest of $5,962 was paid to Fronta Consultants NV upon the completion of the sale of DIAsource.

17. RELATED PARTY TRANSACTIONS (continued)

Vita BVBA

Mr Vangenechten was a Director of Vita BVBA. During the year ended 30 June 2018, the Group completed the following transactions with the related party:

- Vita BVBA received a deferred settlement totalling 4,704,867 ordinary shares at a value of $81,005 as a result of the agreement to acquire the DIAsource business in previous years.
- Vendor loans and Earn Out Fees in the amount of $3,704,448 were paid to Vita BVBA upon the completion of the sale of DIAsource.
- Interest and break fees in the amount of $175,302 were paid to BVBA upon the completion of the sale of DIAsource.
- Director loans in the amount of $89,552 and related interest of $5,999 was paid to Vita BVBA upon the completion of the sale of DIAsource.

Rolf Sickman

Mr Sickman was a Non-Executive Director of the Group until 31 March 2018. During the year ended 30 June 2018, the Group completed the following transactions with the related party:

- Principal in relation to the Earn Out Fee in the amount of $794,551 was paid to Mr Sickman upon the completion of the sale of DIAsource.
- Interest and break fees in the amount of $37,600 were paid to Mr Sickman upon the completion of the sale of DIAsource.

John Hurrell

Dr Hurrell held the position of both Non-Executive Chairman and Executive Chairman. During the year ended 30 June 2018, the Group completed the following transactions with the related party:

- Principal in relation to Director loans in the amount of $20,000 along with interest was paid to Dr Hurrell during the year ended 30 June 2018.

Geoffrey Cumming

Dr Cumming was a Non-Executive Director for the full year ended 30 June 2018. During the year ended 30 June 2018, the Group completed the following transactions with the related party:

- Principal in relation to Director loans in the amount of $10,000 along with interest was paid to Dr Cumming during the year ended 30 June 2018.

18. CAPITAL AND LEASING COMMITMENTS

The Economic entity has an operating lease for the premises in Australia.

	Note	2019 $	2018 $
(a) Operating lease commitments			
Payable:			
- Not later than one year		246,835	238,491
- Later than one year and not later than five years		133,574	380,413
		380,409	618,904

19. FINANCIAL INSTRUMENTS

(a) Financial risk management policies

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans from banks and other third parties and loans to and from subsidiaries.

The main purpose of non-derivative financial instruments is to finance Group operations. There are no derivatives used by the Group.

i. Treasury risk management

The senior management of the Group regularly analyse the financial risk exposure to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The management strategy seeks to assist the group in meeting its financial targets, whilst minimising potential adverse effects on the financial performance.

The senior management operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

ii. Financial risk exposures and management

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk. These risks are managed through monitoring of forecast cash flows, interest rates, economic conditions and ensuring adequate funds are available

Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's cash flows or fair value will fluctuate as a result of changes in market interest rates, arises in relation to the Group's bank balances. This risk is managed through the use of variable rate bank accounts.

Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the relevant entity's functional currency.

As this risk is minor, it is not hedged.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount as disclosed in the statement of financial position and notes to the financial statements.

The Company's key credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows.

(b) Financial instruments

i. Net fair values

For all financial assets and liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

19. FINANCIAL INSTRUMENTS (continued)

ii. Financial instruments composition and maturity analysis

The tables below reflect the settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

Trade and sundry payables are expected to be paid as follows:

	2019 $	2018 $
Trade and sundry payables are expected to be paid as follows:		
- Less than 6 months	234,494	281,219

	Weighted average effective interest rate	Floating interest rate	Fixed interest rate maturing		Non-interest bearing	Total
			Within 1 year	1 to 20 years		
	%	$	$	$	$	$
Consolidated group 2019						
Financial assets						
Cash	0.5	4,276,118	-	-	-	4,276,118
Receivables	-	-	-	-	74,710	74,710
Total financial assets		**4,276,118**	**-**	**-**	**74,710**	**4,350,828**
Financial liabilities						
Payables	-	-		-	234,494	234,494
Total financial liabilities		**-**	**-**	**-**	**234,494**	**234,494**

	Weighted average effective interest rate	Floating interest rate	Fixed interest rate maturing		Non-interest bearing	Total
			Within 1 year	1 to 20 years		
	%	$	$	$	$	$
Consolidated group 2018						
Financial assets						
Cash	0.5	3,328,684	-	-	-	3,328,684
Receivables	-	-	-	-	793,997	793,997
Total financial assets		**3,328,684**	**-**	**-**	**793,997**	**4,122,681**
Financial liabilities						
Payables	-	-		-	281,219	281,219
Total financial liabilities		**-**	**-**	**-**	**281,219**	**281,219**

19. FINANCIAL INSTRUMENTS (continued)

iii. Sensitivity analysis

Interest rate risk

The group has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. The sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

At 30 June 2019, the effect on profit and equity as a result of changes in the interest rate of 1% on floating rate financial instruments would have been $42,761 on an increase and $21,380, with all other variables remaining constant.

20. CONTROLLED ENTITIES AND PARENT ENTITY DISCLOSURES

	Location/Country of incorporation	2019	2018
		Voting % held	
Parent entity:			
Anteo Diagnostics Limited	Aus		
Subsidiaries:			
– Anteo Technologies Pty Ltd (Formerly Bio-Layer Pty Ltd)	Aus	100%	100%
– Anteo Energy Pty Ltd	Aus	100%	100%
– Anteo Life Sciences Pty Ltd (Formally Aged Care Diagnostics Pty Ltd)	Aus	100%	100%
– Anteo Energy Technology Pty Ltd	Aus	100%	-%

	Note	2019 $	2018 $
Result of the parent entity			
Net loss		(2,911,120)	(3,754,528)
Financial position of parent entity			
Current assets		4,391,688	4,140,091
Non-current assets		-	-
Total assets		4,391,688	4,140,091
Current liabilities		156,555	132,471
Non-current liabilities		-	-
Total liabilities		156,555	132,471
Net assets		4,235,133	4,007,620

20. CONTROLLED ENTITIES AND PARENT ENTITY DISCLOSURES (continued)

	Note	2019 $	2018 $
Equity			
Contributed equity		62,421,151	59,061,800
Option Reserve		170,272	-
Accumulated losses		(58,356,291)	(55,054,180)
Total equity		4,235,132	4,007,620

There are no commitments or contingent liabilities related to the parent entity as at 30 June 2019.

21. ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

i. General description

During the 2017 financial year the Company made a decision to sell the DIAsource ImmunoAssays SA ("DIAsource") and its subsidiaries. The associated assets and liabilities were consequently presented as held for sale in the 2017 financial statements.

On 31 August 2017 the Company entered into an unconditional agreement to sell 100% of the shares in DIAsource and its subsidiaries located in Louvain-la-Neuve, Belgium, to BioVendor – Laboratorni medicina a.s. (BioVendor), for €15,873,000 ($23,634,576) cash. The closing date of the transaction was 5 September 2017. Hence, DIAsource is a disposal group and is reported in the current period as a discontinued operation and hence the financial performance of DIAsource for the period to the date of disposal is set out below.

Part of the proceeds from the sale of DIAsource were used to repay loans to the DIAsource vendors, directors and shareholders.

ii. Financial performance and cash flow information

The financial performance and cash flow information presented for DIAsource are for the two months ended 31 August 2017 (2018 Column) and the year ended 30 June 2017.

	2019 $	(2 months) 2018 $
Sales revenue	-	3,621,998
Other income	-	80,480
Expenses	-	(3,719,394)
Profit/(loss) before income tax	-	(16,916)
Income tax benefit/(expense)	-	4,120
Profit/(loss) after income tax of discontinued operations	-	(12,796)
Profit/(loss) before tax on measurement to fair value less cost to sell	-	-
Transfer of foreign exchange reserve to discontinued operations	-	(214,696)
Gain on sale of subsidiary after income tax	-	(22,757)

21. ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

	2019 $	(2 months) 2018 $
Profit/(loss) from discontinued operations	**-**	**(250,249)**
Exchange differences on translation of discontinued operations	-	(4,397)
Other comprehensive income from discontinued operations	**-**	**(4,397)**
Operating activities	-	(107,054)
Investing activities	-	(171,006)
Financing activities	-	183,505
Net increase/(decrease) in cash generated by subsidiary	**-**	**(94,555)**

iii. Details of the sale of subsidiary

	2018 $
Consideration received cash	23,634,576
Less disposal costs	(610,551)
Net consideration	23,024,025
Carrying value of the net assets sold	(23,046,782)
Gain on the sale after income tax	(22,757)

The carrying amounts of assets and liabilities of the discontinued operations as at the date of sale were:

22. SHARE BASED PAYMENTS

Share based payment expense recognised during the year:

	2019 $	2018 $
Share based payment expense recognised during the period:		
Shares issued to staff (1)	119,000	-
Allocation of value of options issued to C Parker (CEO) during 2019 (2)	50,800	-
Allocation of value of options issued to H Frankfurt (CEO) during 2019 (3)	2,625	-
	172,425	**-**

Notes for the above table, relating to the year ended 30 June 2019 are:

1. 7,000,000 shares were issued to staff as bonuses. The shares were valued at $0.017 per share, being the closing share price on the date the shares were issued.

2. 8,000,000 million options were granted Chris Parker, the CEO of the Company at the time of issue. The valuation method used to value the options is set out below

22. SHARE BASED PAYMENTS (continued)

3. 15,000,000 million options were granted Harley Frankfurt, the CEO of the Company at the time of issue. The valuation method used to value the options is set out below.

Further information regarding the Company's unlisted options is set out below.

The Group has an Employee Share Option Scheme for directors, senior executives, employees and key consultants of the Group whereby those parties may be granted options to purchase ordinary shares in the Company. There were 23,000,000 (2018: 12,000,000) options issued under the ESOP during the year and nil (2018: nil) options were exercised during the year with 33,200,000 (2018: 12,000,000) options lapsing.

The unlisted options outstanding at the end of 2019 and their movement during the year were as follows.

2019

Grant date	Expiry date	Exercise price cents	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
04/02/2015	15/12/2018	20	1,000,000	-	-	(1,000,000)	-
06/04/2017	05/10/2018	3	32,200,000	-	-	(32,200,000)	-
10/09/2018	30/09/2019	0.01	-	8,000,000	-	-	8,000,000
29/04/2019	23/04/2023	0.01	-	15,000,000	-	-	15,000,000
			33,200,000	**23,000,000**	**-**	**(33,200,000)**	**23,000,000**
Weighted average exercise price cents			3.51	0.01	-	3.51	0.01

The weighted average remaining contractual life of options outstanding at 30 June 2019 was 2.58 years.

On 6 June 2019 the Company issued 331,950,823 Ordinary Shares and 165,975,303 Listed Options following the completion of a renounceable rights issue and placement, raising a total of $3,651,465 (before costs). The Listed Options are exercisable at $0.02 each and expiry on 6 December 2020.

The unlisted options outstanding at the end of 2018 and their movement during the year were as follows.

2018

Grant date	Expiry date	Exercise price cents	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
15/08/2013	15/08/2017	12	5,800,000	-	-	(5,800,000)	-
18/09/2013	18/09/2017	12	2,400,000	-	-	(2,400,000)	-
31/10/2013	31/10/2017	12	9,000,000	-	-	(9,000,000)	-
24/02/2014	24/02/2018	25	1,000,000	-	-	(1,000,000)	-
16/04/2014	16/04/2018	26.5	700,000	-	-	(700,000)	-
10/11/2014	10/11/2018	20	12,000,000	-	-	(12,000,000)	-
04/02/2015	15/12/2018	20	1,000,000	-	-	-	1,000,000
16/04/2015	16/04/2019	13.5	1,400,000	-	-	(1,400,000)	-
06/04/2017	05/10/2018	3	32,200,000	-	-	-	32,200,000
31/01/2017	31/01/2021	7.8	2,000,000	-	-	(2,000,000)	-

22. SHARE BASED PAYMENTS (continued)

Grant date	Expiry date	Exercise price cents	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
06/12/2017	31/12/2022	2.92	-	12,000,000	-	(12,000,000)	-
			67,500,000	**12,000,000**	**-**	**(46,300,000)**	**33,200,000**
Weighted average exercise price cents			9.50	2.92	-	12.08	3.51

The weighted average remaining contractual life of options outstanding at 30 June 2018 was 0.27 years.

Valuation Model – 2019 unlisted options

The fair value of 8,000,000 options (issued in September 2018) were determined at grant date, by the Company, using a binomial option pricing model or probabilistic pricing model that takes into account the share price at grant date, exercise price, performance hurdles prices if any, expected volatility (determined by reference to historical volatility of the share price and as benchmarked against peer companies), option life, the risk free rate, and the fact that the options are not tradeable. The inputs used for the binomial option pricing model and probabilistic pricing model for the 8,000,000 options granted during September 2018 were as follows**:**

	Grant Date	Expiry Date	Number Issue	Share price at grant date cents	Exercise price cents	Performance hurdle price	Expected volatility	Risk-free rate	Fair value at grant date cents
i)	10/09/18	30/09/19	4,000,000	1.40	0.01	2.98	100.0%	1.99%	0.76
ii)	10/09/18	30/09/19	4,000,000	1.40	0.01	4.25	100.0%	1.99%	0.51

i) Vesting on a volume weighted average price (VWAP) of 2.98 cents per share for 30 consecutive days at any time before 30 September 2019

ii) Vesting on a volume weighted average price (VWAP) of 4.25 cents per share for 30 consecutive days at any time before 30 September 2019

The fair value of 15,000,000 options (issued in April 2019) were determined at grant date, by an independent valuer engaged by the Company, using a Black Scholes option pricing model that takes into account the share price at grant date, exercise price, performance hurdles prices if any (discounted by the probability of not achieving those hurdles, estimated as 55%, 75% and 90% respectively), expected volatility (determined by reference to historical volatility of the share price and as benchmarked against peer companies), option life, the risk free rate, and the fact that the options are not tradeable. The inputs used for the Black Scholes option pricing model for the 15,000,000 options granted in April 2019 were as follows**:**

	Grant Date	Expiry Date	Number Issue	Share price at grant date cents	Exercise price cents	Performance hurdle price	Expected volatility	Risk-free rate	Fair value at grant date cents
i)	29/04/19	23/04/23	3,000,000	1.72	0.01	3.71	103.4%	1.31%	0.74
ii)	29/04/19	23/04/23	6,000,000	1.72	0.01	5.57	103.4%	1.31%	0.41
iii)	29/04/19	23/04/23	6,000,000	1.72	0.01	9.28	103.4%	1.31%	0.16

i) Vesting on a volume weighted average price (VWAP) of 3.71 cents per share for 30 consecutive days at any time before 23 April 2023

ii) Vesting on a volume weighted average price (VWAP) of 5.57 cents per share for 30 consecutive days at any time before 23 April 2023

iii) Vesting on a volume weighted average price (VWAP) of 9.28cents per share for 30 consecutive days at any time before 23 April 2023

22. SHARE BASED PAYMENTS (continued)

All options issued assumed a dividend yield of zero.

The above 23,000,000 options were issued to two CEOs during the year ended 30 June 2019.

Valuation Model – 2018 unlisted options

The fair value of options are determined at grant date, by the Company, using a binomial option pricing model or probabilistic pricing model that takes into account the share price at grant date, exercise price, performance hurdles prices if any, expected volatility (determined by reference to historical volatility of the share price and as benchmarked against peer companies), option life, the risk free rate, and the fact that the options are not tradeable. The inputs used for the binomial option pricing model and probabilistic pricing model for options granted during the year ended 30 June 2018 were as follows**:**

	Grant Date	Expiry Date	Number Issue	Share price at grant date cents	Exercise price cents	Performance hurdle price	Expected volatility	Risk-free rate	Fair value at grant date cents
i)	06/12/17	31/12/22	2,000,000	1.60	2.92	Nil	85.41%	2.34%	0.92
ii)	06/12/17	31/12/22	2,000,000	1.60	2.92	Nil	85.41%	2.34%	0.92
iii)	06/12/17	31/12/22	2,000,000	1.60	2.92	Nil	85.41%	2.34%	0.92
iv)	06/12/17	31/12/22	3,000,000	1.60	2.92	4.00	85.41%	2.34%	0.17
v)	06/12/17	31/12/22	3,000,000	1.60	2.92	8.00	85.41%	2.34%	0.46

i) With a vesting date of 31 December 2018

ii) With a vesting date of 31 December 2019

iii) With a vesting date of 31 December 2020

iv) Vesting on a volume weighted average price (VWAP) of 4 cents per share for 30 consecutive days at any time before 31 December 2018

v) Vesting on a volume weighted average price (VWAP) of 4 cents per share for 30 consecutive days at any time before 31 December 2019

All options issued assumed a dividend yield of zero.

The above 12,000,000 options were issued to an employee during the year ended 30 June 2018. Due to the employee departing in the same period the options also expired during the same period.

23. EVENTS AFTER REPORTING DATE

At the time of issuing this report the following events had occurred post Balance Date.

On 9 July 2019, 2,600,000 Shares were issued to staff as part of the Company's short term incentive plan.

O 29 July 2019 the Company announced that it had appointed Derek Thomson as the Company's CEO. Mr Thomson commenced on 8 August 2019.

On 8 August 2019, 18,000,000 options were issued to the Company's newly appointed CEO as part of his employment contract.

24. CONTINGENT ASSETS

There were no contingent assets at balance date.

25. CONTINGENT LIABILITIES

There were no contingent liabilities at balance date.

DIRECTORS' DECLARATION

The Directors of Anteo Diagnostics Limited declare that:

1) The consolidated financial statements and notes, as set out on pages 31 to 61 are in accordance with the Corporations Act 2001, including:

    a) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001; and

    b) give a true and fair view of the financial position as at 30 June 2019 and of the financial performance for the year ended on that date of the Consolidated Entity; and

2) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable having regard to the disclosures made in Note 1 to the financial statements.

3) The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2019.

4) Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards as issued by the IASB.

Signed in accordance with a resolution of the Board of Directors

Dr Jack Hamilton
Chairman
Dated this 27th day of August 2019

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY C R JENKINS TO THE DIRECTORS OF ANTEO DIAGNOSTICS LIMITED

As lead auditor of Anteo Diagnostics Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Anteo Diagnostics Limited and the entities it controlled during the period.

C R Jenkins
Director

BDO Audit Pty Ltd

Brisbane, 27 August 2019

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Anteo Diagnostics Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Anteo Diagnostics Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there are no other key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 28 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Anteo Diagnostics Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

C R Jenkins
Director

Brisbane, 27 August 2019

SHAREHOLDINGS

Distribution of shareholdings as at 20 August 2019:

Ordinary Shares

Holding From	Holding To	No. of Holders	Total Shares Held	%
1	1,000	1,014	428,728	0.029
1,001	5,000	488	1,351,100	0.090
5,001	10,000	305	2,385,457	0.160
10,001	100,000	1,350	59,702,769	3.995
Holdings larger than	100,000	1,199	1,430,439,346	95.726
TOTAL			**4,356**	**1,494,307,400**

Quoted Options

Holding From	Holding To	No. of Holders	Total Shares Held	%
1	1,000	77	32,458	0.017
1,001	5,000	153	452,707	0.232
5,001	10,000	71	573,525	0.294
10,001	100,000	288	11,857,503	6.075
Holdings larger than	100,000	210	182,270,826	93.383
TOTAL			**799**	**195,187,019**

Voting rights:

In accordance with the Company's constitution, the following rights to vote apply to members holding ordinary shares:

(a) On a show of hands every member present in person or by proxy or attorney or representative will have one vote; and

(b) on a poll every member present in person or by proxy, attorney or representative will have one vote for each fully paid share held.

Holdings less than a Marketable Parcel:

As defined by the ASX Listing Rules a marketable parcel is a parcel of securities of not less than $500 in value based on the closing price on SEATS the date before the issue of the notice. As at 20 August 2019, in relation to ordinary shares in the Company, a marketable parcel equates to 38,462 ordinary shares. The number of shareholders holding less than a marketable parcel and the number of shares held by them were as follows:

No. of holders holding less than a marketable parcel	2,474
No. of shares held	19,013,014

ADDITIONAL ASX INFORMATION

Names and details of substantial shareholders

The following is a listing of Substantial Shareholders being shareholders with more than a 5% relevant interest in the Company as at 20 August 2019.

Name of Substantial Shareholder	Shares held	% of Total Shares
Levenson Investments Pty Ltd and Associates	99,126,615	6.65%

Top 20 shareholders

The following is a listing of the 20 largest shareholders at 20 August 2019 together with the number of shares held and the percentage of total shares held.

#	Shareholder	Shares Held	%
1	LEVENSON INVESTMENTS PTY LTD <LEVENSON INVESTMENT A/C>	76,386,026	5.112%
2	FIRST CAPE MANAGEMENT PTY LTD	49,747,411	3.329%
3	MARCOLONGO NOMINEES PTY LTD <MARCOLONGO SUPER FUND A/C>	41,524,258	2.779%
4	FOSSIL SUPER PTY LTD <FOSSIL FUND A/C>	32,400,000	2.168%
5	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	29,463,473	1.972%
6	BOND STREET CUSTODIANS LIMITED <ANTSM1 - D67076 A/C>	25,769,696	1.725%
7	STYDON CAPITAL PTY LTD	22,489,689	1.505%
8	MR ANTHONY WILLIAM OLDING & MRS CAROLINE ANNE OLDING	20,805,090	1.392%
9	AUSTCORP NO 190 PTY LTD	20,513,544	1.373%
10	COMPUTER VISIONS PTY LTD <VISIONARY INVESTS S/F A/C>	18,705,767	1.252%
11	MR IAN NOBLE & MRS ANNETTE NOBLE <NOBLE FAMILY RETIRE FUND A/C>	17,810,000	1.192%
12	ADDISON LAKE QUALITY HIRE PTY LIMITED	15,347,866	1.027%
13	MRS MARY CURTIS	15,000,000	1.004%
14	MCRAE SUPERANNUATION PTY LTD <MCRAE EXEC SUPER FUND A/C>	14,000,000	0.937%
15	JACKJEN PTY LTD <J A HAMILTON SUPER FUND A/C>	13,823,636	0.925%
16	MR KIRIL DENNIS BOITCHEFF & MRS SUZANNE JANET BOITCHEFF <SEAVIEW SUPER FUND A/C>	11,500,000	0.770%
17	MR CLAUS KURT DZALAKOWSKI	11,500,000	0.770%
18	MR PETER FREDERICK KEMMIS	10,354,755	0.693%
19	AUSTRALIAN GOOD FOOD GUIDE PUBLISHING PTY LTD	10,258,834	0.687%
20	MR TERENCE DEAVIN & MRS LINDEN DEAVIN <TERRY LINDEN DEAVIN S/F A/C>	9,500,000	0.636%
	Total Top 20 Shareholders	**466,900,045**	**31.245%**

ADDITIONAL ASX INFORMATION

Top 20 quoted optionholders

The following is a listing of the 20 largest holders of quoted options ($0.02 @ 6-Dec-20) at 20 August 2019 together with the number of options held and the percentage of total options held.

#	Optionholder	Options Held	%
1	LEVENSON INVESTMENTS PTY LTD <LEVENSON INVESTMENT A/C>	22,017,017	11.280%
2	MR MICHAEL SOUCIK & MRS HEATHER SOUCIK <HMS SUPERANNUATION FUND A/C>	20,000,000	10.247%
3	MARCOLONGO NOMINEES PTY LTD <MARCOLONGO SUPER FUND A/C>	14,060,000	7.203%
4	CPS CAPITAL NO 3 PTY LTD	8,700,000	4.457%
5	JACKJEN PTY LTD <J A HAMILTON SUPER FUND A/C>	5,886,818	3.016%
6	SCINTILLA STRATEGIC INVESTMENTS LIMITED	5,000,000	2.562%
7	FIRST CAPE MANAGEMENT PTY LTD	4,079,853	2.090%
8	MR PHILIP MICHAEL DEAVIN & MRS CHIMENE MAREE DEAVIN	4,000,000	2.049%
9	FOSSIL SUPER PTY LTD <FOSSIL FUND A/C>	2,700,000	1.383%
10	MR ANTHONY WILLIAM OLDING & MRS CAROLINE ANNE OLDING	2,567,090	1.315%
11	TWINVEST HOLDINGS PTY LTD	2,512,950	1.287%
12	ROOKHARP INVESTMENTS PTY LIMITED	2,500,000	1.281%
13	AUSTCORP NO 190 PTY LTD	2,331,077	1.194%
14	MR CLAUDIO PAUL MARCOLONGO & MRS DIANE MARY KATHLEEN MARCOLONGO	2,296,198	1.176%
15	STYDON CAPITAL PTY LTD	2,274,140	1.165%
16	PROSPERION WEALTH MANAGEMENT PTY LTD <INVESTMENT A/C>	2,250,000	1.153%
17	COMPUTER VISIONS PTY LTD <VISIONARY INVESTS S/F A/C>	2,122,073	1.087%
18	MR JOHN JOSEPH REIDY	2,000,000	1.025%
19	MRS YAN WANG <AUST WEST COAST TRAVEL A/C>	2,000,000	1.025%
20	MRS ZI JUAN QI <CHEN FAMILY A/C>	2,000,000	1.025%
	Total Top 20 Shareholders	**111,297,216**	**57.021%**

On-market buy-back There is currently no proposal to undertake an on-market buy-back of the Company's securities.

Company Secretary: Mr Duncan Cornish

Company REGISTERED OFFICE: **4/26 BRANDL STREET,**
Eight Mile Plains QLD 4113
(07) 3219 0085

Share Registry: Boardroom Pty Limited
Level 7, 207 Kent Street,
Sydney **NSW 2000**
1300 737 760

Stock Exchange Listing: **THE COMPANY'S SECURITIES ARE QUOTED ON THE OFFICIAL LIST OF THE ASX.**
The ASX listing codes for the Company's securities are:

- Ordinary shares: ADO
- Quoted Options: ADOO

Unquoted Securities:

(a) Employee Option Plan

The Employee Option Plan last approved by shareholders on 16 November 2017, provides that employees may be issued options to acquire shares in the Company. These options are not quoted on the Australian Stock Exchange. As at the date of this report, the total number of Options issued under the Employee Option Plan was 41,000,000.

(b) Other Unlisted Options

The following unlisted options to acquire ordinary shares are on issue as at 20 August 2019:

Options issued to directors	-
Options issued to other parties	41,000,000
Total other unlisted options to acquire ordinary shares	**41,000,000**

(c) Unquoted shares

There were nil unquoted fully paid ordinary shares as at the date of this report.

NOTES

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limited

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