

Quarterly Activities & Cashflow Report

Quarter ending 30 September 2023

BRISBANE, AUSTRALIA, 25th October 2023: AnteoTech Ltd (ASX: ADO) (**AnteoTech** or the **Company**) a revenue stage company, providing solutions for the clean energy and life sciences markets using proprietary chemistry technologies, is pleased to release its Appendix 4C – Quarterly Cashflow report and Activities Update for the quarter ended 30 September 2023 (the **Quarter**). All financial results are in Australian dollars and are unaudited.

Highlights

- **First Anteo XTM revenues - purchase order from major EV manufacturer after Quarter's end**
- **Trinseo and Wyon validation complete – moving towards commercial agreements**
- **Anteo XTM Production Facility detailed design complete and external (building, development and council) approvals received**
- **Progressing commercial discussions for development agreements with multiple parties**
- **SPP completed including AnteoTech's eligible Directors – total Capital Raise \$4.7m**
- **\$4.0m September 2023 cash balance – additional \$3.8m R&D rebate received early October**

David Radford, CEO and Managing Director commented:

“This quarter has been another very busy one for the team as we continued to build on our successful outreach programme from prior quarters, including the Stuttgart Battery Show in May this year. The interest from a range of battery material, specialty battery makers and electric vehicle makers has been overwhelmingly positive and confirms the potential value of our clean energy technology. This laid the platform for my return trip to Europe in October, after the European summer holidays, where we had productive follow-up meetings with our targeted priority partners.

After the trip, we received our first commercial revenues from the sale of Anteo XTM to a major manufacturer of electric vehicles, who plans to test Anteo XTM as a key component of their next generation car battery. As awareness of the challenges in creating high silicon battery anodes increases, we see a model where potential customers pay for AnteoTech's expertise and experience in the development of high silicon anodes as an exciting revenue stream that leverages the Company's experience with Anteo XTM. For us, payment for development services reduces our immediate cash outflows, while the customer receives expert support to prove the value of the high silicon technology to meet their own individual requirements.

The Company is also moving towards commercial agreements with our first two partners, Trinseo and Wyon, having successfully validated the technical hurdles in their MOUs.”

Commercialisation Progress

This Quarter, AnteoTech continued to make progress in driving awareness and commercial interest in its suite of leading products across the Clean Energy Technologies (CET) and Life Sciences divisions. As a marketing led – sales driven organisation, each of the teams have specific and focused projects underway, designed to drive commercial outcomes.

Unlike previous quarters where awareness of AnteoTech's technology still needed to be built, the team is now working to convert the existing “collaborators” into business partnerships.

In CET, the Company has further refined the focus of sales efforts for its pipeline of 200 plus leads and identified twelve high priority targets that are the key focus to secure commercial agreements within the near term. As an early-stage technology company, AnteoTech is taking this focused approach to secure marquee partners that can validate the technology, which will then act as key reference points for other potential customers.

To strengthen the AnteoTech balance sheet and fund these clean energy commercial opportunities, AnteoTech completed its Share Purchase Plan (**SPP**) in September, raising approximately \$0.7 million which included \$120,000 from AnteoTech's eligible Directors. This completed the capital raising process which started in July, with \$4.7 million raised from the Placement and SPP.

In order to grow commercial capabilities, during the Quarter Andrew Cook was appointed as Chief Financial Officer and Company Secretary taking over from the interim CFO. Andrew joins the Senior Leadership Team and brings over 20 years' experience in leading international teams and negotiating contracts with large corporates.

Clean Energy Technologies— Next generation battery technology

Advancing key customers and achieving first Anteo X™ revenues

This Quarter the CET team made strong progress towards a number of milestones, securing the first revenues for Anteo X™, advancing commercial discussions with key potential partners and receiving external (building, development and council) approvals for the Anteo X™ production facility.

After the Quarter end, AnteoTech secured its first purchase order for Anteo X™ from a major EV manufacturer. This purchase order of approximately \$60,000 for delivery by the end of 2023, will enable the EV manufacturer to commence testing Anteo X™ on a prototype high silicon anode battery model for potential inclusion in their EV range.

This initial purchase order represents a major milestone for AnteoTech and while the amount of the initial order is not significant, it demonstrates the key value proposition of incorporating Anteo X™ into higher silicon anodes to EV manufacturers who have been unable to solve this issue, despite a highly competitive market for new battery technologies. Subject to the successful technical validation, both parties intend to continue development work and to map out a long-term relationship.

A second EV manufacturer will be commencing proof of concept evaluations of Anteo X™ after they approached AnteoTech to assist in their transition to a higher silicon anode. Further discussions are also underway with various other binder, battery and vehicle manufacturers who are seeking to leverage the benefits of Anteo X™ within their technology.

AnteoTech has now successfully completed the validation work set out in the MOUs signed with Trinseo and Wyon, meeting the technical expectations and delivering a material benefit to their respective technologies. Following the technical validation by Trinseo and Wyon, AnteoTech management met with both parties in Europe, with proposals to advance commercial agreements underway.

AnteoTech also advanced discussions with several other key players in the battery landscape regarding potential joint development agreements. This form of agreement involves the AnteoTech technical team supporting the customer's technology pathway and validation process in the form of a paid development program, followed by an ongoing license fee or royalty payment. This type of arrangement ensures stronger engagement by the customer having paid for the development, while at the same time maximising their prospects of success as they leverage AnteoTech's resources and understanding of the technology.

Construction underway at Brisbane Production facility

In October, the Company commenced construction on the structure of the Anteo X™ production facility. This modular facility, located at the Eight Mile Plains head office on the outskirts of Brisbane, will take approximately three months to complete. Equipment with a long lead time for supply was purchased whilst obtaining required approvals.

Once complete, the plant will have an initial, annual capacity of 20,000 litres of Anteo X™ with the facility built to accommodate an increase up to 80,000 litres per annum. Importantly, this facility will enable AnteoTech to service projected needs of commercial customers and joint development partners.

As part of the commercial launch into the European Union or EU, the team have been progressing the registration of Anteo X™ under the REACH legislation. REACH is an EU regulation which applies to all chemical substances and requires AnteoTech as the chemical manufacturer to demonstrate compliance prior to Anteo X™ being exported to the EU, it is not an onerous regulatory hurdle for the Company.

Multiple non-dilutive funding applications in clean energy

AnteoTech has continued to progress several separate government grants related to the development and commercialisation of its clean energy products. If successful, each one of these grants will provide additional funding, non-dilutive to AnteoTech shareholders, to enable market entry and development activities to be accelerated. These processes each have different timelines, but it is not anticipated responses will be received prior to early 2024.

Life sciences - Building revenues in diagnostics

This Quarter the Life Sciences team advanced ongoing discussions to commercialise AnteoBind™, after the previously announced exit from production of Point-of-Care technologies. As a result, acquisitions and partnerships of Point-of-Care businesses are no longer being pursued.

During the Quarter, the team focused on the completion of validation work demonstrating the strong value proposition of AnteoBind™ across several Point-of-Care diagnostic applications. Demonstrating shelf-life improvements, processing time, reagent, and component savings, the team has been able to show a reduction in overall cost associated with test development and manufacturing, including, in specific applications, where it can reduce antibody use by up to 50% and a further reduction of up to 40% in labour costs when compared to traditional chemistries.

These results have led to the identification of potential new revenue opportunities through the provision of pre-activated particles for the diagnostic market. This developing market is estimated to be in excess of \$1b. This work has been used to drive commercial discussions with a targeted number of Point-of-Care diagnostic companies.

With the Life Sciences opportunities focused on a smaller number of large opportunities, the Division has now been streamlined to better allocate the Company's resources and reduce overheads. The responsibility for driving these commercial opportunities has been assigned to Ms Lian, in addition to her Chief Marketing Officer role. Ms Lian has a strong track record in driving profitable revenue growth across multiple industries. As a result of this change, Mr Steinhardt will be leaving the Company to pursue other opportunities. This approach to the sales process will enable a reduction in overheads of approximately \$0.4 million per annum from next quarter.

While the goal of a commercial agreement in life sciences was not met this Quarter, we remain optimistic on achieving this in the first half of calendar year 2024.

Corporate & Financials

Cash and Expenditure

AnteoTech had approximately \$4.0 million cash on hand as at 30 September 2023 with no debt. In early October, the Company received a further \$3.77 million cash from the R&D Tax Incentive for eligible development activities in FY23, which was higher than previously estimated.

	\$ '000
Cash at 30 September 2023	3,953
R&D Tax Incentive – received 11 October 23	3,773
Cash at 30 September plus R&D tax incentive	7,726

This Quarter, cash receipts from customers totalled \$28,000 and net cash outflows from operating activities were \$2,846,000 as summarised below - refer Appendix 4 C Quarterly Cash Flow Report.

	\$ '000
Business Expenses:	
Research and Development	407
Staff, Admin and Corporate	2,160
Other	279
Capital Expenses	
Plant & equipment	129
Intellectual Property	132

During this early commercialisation phase, the Company continues to carefully manage its cashflows whilst also reducing its overall expenditures. In conjunction, the Company is also pursuing funding from non-dilutive sources, with grant applications being progressed during the Quarter.

ASX Listing Rule 4.7C disclosure

This Quarter, \$80,000 was paid to Related Parties, as reported in Item 6.1 of the ASX Appendix 4C (Quarterly Cash Flow Report), for directors' fees.

This announcement has been authorised for release by the Board of AnteoTech Ltd.

- ENDS -

Media and investor enquiries: Friederike Graser, on +61 7 3219 0085 or investors@anteotech.com

Company and Partnering enquiries: David Radford, CEO, on + 61 7 3219 0085

For further information, please check our website www.anteotech.com

About AnteoTech - AnteoTech Ltd (ASX:ADO)

AnteoTech is a revenue stage company that provides solutions for the clean energy and life sciences markets using our proprietary applied materials technology. In the rapidly growing clean energy market, our lead product Anteo XTM, has been proven to provide significant improvement in anode performance and the Company has partnered with global suppliers to the lithium-ion battery manufacturing industry, with first revenues targeted for late 2023 from our Brisbane based commercial plant. The portfolio includes a proprietary high silicon anode, made with unrefined silicon which offers advantages of size, weight and cost. The Life Sciences division services the Point-of-Care and In vitro diagnostics markets from global diagnostics companies to technology developers. The unique characteristics of AnteoBind™ provides strong advantages in bioconjugation to rapidly speed up testing procedures and improve accuracy.

AnteoTech - Social Media Policy

AnteoTech is committed to communicating with the investment community through all available channels. Whilst ASX remains the prime channel for market sensitive news, investors and other interested parties are encouraged to follow AnteoTech on Twitter ([@AnteoTech_](#)), LinkedIn. Subscribe to AnteoTech Latest News emails - visit our website at www.anteotech.com and subscribe to receive our email alert service.

Forward Looking Statements

This Announcement may contain forward-looking statements, including estimates, projections and other forward-looking information (**Estimates and Projections**). Forward-looking statements can generally be identified by the use of forward-looking words such as “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target”, “outlook”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of AnteoTech. The Estimates and Projections are based on information available to AnteoTech as at the date of the Announcement, are based upon management’s current expectations, estimates, projections, assumptions and beliefs in regards to future events in respect to AnteoTech’ business and the industry in which it operates which may in time prove to be false, inaccurate or incorrect. The Estimates and Projections are provided as a general guide and should not be relied upon as an indication or guarantee of future performance. The bases for these statements are subject to risk and uncertainties that might be out of control of AnteoTech and may cause actual results to differ from the Announcement. No representation, warranty, or guarantee, whether express or implied, is made or given by AnteoTech in relation to any Estimates and Projections, the accuracy, reliability, or reasonableness of the assumptions on which the Estimates and Projections are based, or the process of formulating any Estimates and Projections, including that any Estimates and Projections contained in this Announcement will be achieved. AnteoTech takes no responsibility to make changes to these statements to reflect change of events or circumstances after the release.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

AnteoTech Ltd

ABN

75 070 028 625

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	28	28
1.2 Payments for		
(a) research and development	(407)	(407)
(b) product manufacturing and operating costs	(9)	(9)
(c) advertising and marketing	(70)	(70)
(d) leased assets	(244)	(244)
(e) staff costs	(1,228)	(1,228)
(f) administration and corporate costs	(932)	(932)
1.3 Dividends received (see note 3)		
1.4 Interest received	12	12
1.5 Interest and other costs of finance paid	(13)	(13)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	8	8
1.8 Other (PPL / WorkCover wages)	9	9
1.9 Net cash from / (used in) operating activities	(2,846)	(2,846)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(129)	(129)
(d) investments		
(e) intellectual property	(132)	(132)
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(261)	(261)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,688	4,688
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(348)	(348)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	4,340	4,340

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,720	2,720
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,846)	(2,846)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(261)	(261)

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,340	4,340
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	Cash and cash equivalents at end of period	3,953	3,953

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,953	2,720
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,953	2,720

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	80
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	n/a	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,846)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,953
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	3,953
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.4
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: No</p> <p>The Company received its 2023 R&D rebate in early October. This amount when added to the Cash balance at 30 September 2023 totals \$7.726m, or 2.7 quarters funding available for operating activities based on the September quarter.</p> <p>The Company will continue to optimise its cost and resource base to align with business opportunities. Net cash used in operating activities for the quarter includes non-recurring expenditure of approximately \$0.3m that is not anticipated to continue from the new calendar year.</p> <p>Furthermore, the Company is anticipating to generate revenues from both its life sciences and clean energy products from Q3 FY2024. The Company is moving to secure commercial agreements for both development work and the ongoing sale of its products. If commercial agreement or agreements are consummated, this is expected to drive an increase in Receipts from Customers.</p> <p>The Company is also applying for several non-dilutionary grants with responses anticipated form early 2024, although this timing may vary. The Company is also negotiating several partnering arrangements for joint product development, where the partner will contribute towards the costs which would otherwise be a development cost born by the Company.</p>	

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: No

The Board regularly assesses the Company's ongoing cash requirements and evaluates market appetite for equity and debt investment, managing its capital and operations accordingly.

In addition, the Company has issued 71.4 million unlisted options with an exercise price of 6.4 cents, to investors in the 2023 placement and share purchase plan. In the event that the Company's share price increases above 6.4 cents, there is the prospect that options will be exercised, providing additional funding to the Company.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes

As noted in the answer to 8.6.1, the Company has received its 2023 R&D of \$3.8m. This funding along with existing cash, anticipated revenues, potential non-dilutionary grants and development contributions as well as further operating cost improvements is expected to fund the Company.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Andrew Cook
Company Secretary
25th October 2023

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.