Quarterly Business Update

Period Ending 30 June 2021

ASX Code: ADO

Shares on Issue

1,954 million

CEO

Mr Derek Thomson

Company Secretary

Mr Duncan Cornish

Principal and Registered Office

Unit 4, 26 Brandl St, Eight Mile Plains, Qld 4113, Australia

Telephone: +61 7 3219 0085

Internet

www.anteotech.com

Email

contact@anteotech.com

ABN

75 070 028 625

Key Activities

Activities for the quarter focused on the execution of distribution agreements for the COVID-19[1] Rapid Antigen Test (RAT) and formalizing the development of a stand-alone AnteoX product offering.

Highlights for the Business Include:

- Receipt of CE Mark for EuGeni Reader and COVID-19 RAT.
- Launch of EuGeni Platform.
- Distributor network being rolled out with three agreements announced, covering the geographies of SE Asia, U.K and Australia/ N.Z. with a population of 430 M, and a pipeline of further appointments to follow.
- EuGeni Readers and tests out with a range of distributors and end-users for evaluation in Europe, SE Asia and India.
- Business Development resources on the ground with two in Europe and one in India. In addition, the recently appointed Australian/ NZ distributor, Abacus, adds business development capability for the local market in anticipation of TGA regulatory submission in September.
- Execution of Manufacturing Agreement with Operon, Spain, and new in-house test strip manufacturing capacity in Brisbane to be in place by Q1/2022.
- Acceleration of the Sepsis test program to deliver a family of sepsis tests.
- COVID 19, Flu A/B multiplex test on track for clinical studies.
- AnteoX yielding excellent results with Collaborator 2, Collaborator 8 AnteoX program on track.
- Addition of 10th Collaborator with interest in AnteoX.
- Securing $20m funding through a Placement and Share Purchase Plan.

[1] The AnteoTech Antigen Rapid Test detects the SARS-CoV-2 active virus that causes the disease called COVID-19

Letter to Shareholders

Dear Shareholders

Along with the board, I am pleased to provide you with our Quarterly Business Update.

June marks the end of what was yet another extremely busy quarter for AnteoTech. I could not be more proud of our achievements over this financial year, across both the life science and energy divisions. The launch in April of our EuGeni Platform and COVID-19 Rapid Antigen Test, and the recognition of one of our primary lithium-ion battery collaborators of the energy efficiency attributes of AnteoX, marked the beginning of one of the busiest periods to date for our development and business teams.

I am very pleased to report that our plan to significantly increase our market facing operations is well underway. After lengthy EuGeni product trials and mutual due diligence exercises we have welcomed three new distributors, Abacus dx, BioMed Global and Apacor, covering Australia, New Zealand, South East Asia, and the United Kingdom. There are more distributor activities underway, and in the next period, we will fulfil our ambition to have hundreds of sales representatives placing EuGeni products in key markets globally.

I am very pleased to report that during recent weeks we have decided to invest in a new team of scientists to focus solely on the sepsis family of tests. This investment will allow us to accelerate our Sepsis development by building a number of single and double biomarker tests, the first of which to be completed in the first quarter of 2022.

Our COVID-19 family of tests continues to progress via the excellent work of our existing development team. Our COVID-19, Flu A/Flu B Multiplex test is progressing well, and in the coming weeks, we will lock the design of this test in preparation for clinical evaluations. Our sample use case work is progressing very well despite a lack of positive patients, which has slowed our rate of data collection. In recent days we have doubled the number of facilities we are operating out of in India and we are sourcing stored samples as an adjunct to complete this work.

During the quarter, we announced our manufacturing strategy, which includes investment in a lateral flow strip manufacturing capability in Brisbane. In recent weeks we have completed the specification development for the reel-to-reel manufacturing equipment, and we will be placing our orders for this equipment very shortly. In addition, we are expanding our facilities footprint in Eight Mile Plains to accommodate this equipment.

In the next months, we will be working with our distributors to ensure we have all the required registrations for local health regulatory bodies within the territories in which we are operating. To ensure we continue to meet the high standards required to fulfil these regulatory requirements, we have been working to enhance our Quality Management System and ISO 13485 certification. During the quarter, we announced we had pulled forward our annual compliance audit to receive the annual certification earlier. Today I can report that the physical ISO 13485 audit process has been completed successfully, and this paves the way to progress our certification status for primary regulatory processes.

Once we have received the ISO 13485 audit certificate from the independent auditors, we will submit our EuGeni registration request to the Therapeutic Goods Administration (TGA). The timing of registration with the TGA is anticipated in Q4 and is dependent on the time required by the TGA to process the application.

This quarter the energy team has also made some exciting progress. The AnteoX work and analysis conducted with Collaborator 2 and Collaborator 8 yielded excellent results, firmly reinforcing our decision to commence with the commercialisation of AnteoX as a product for the lithium-ion battery component manufacturer market. In addition to the stand alone AnteoX commercialisation, we are in discussions with Collaborator 2 around a joint product offering, marketing anode components and AnteoX product to a broad range of industry participants. We anticipate that these discussions will progress over the coming quarter, and we will keep shareholders informed of any material outcomes.

As our internal anode development work progresses and we refine our materials, we are receiving an increased level of interest in our products. This has led to the addition of our 10th Collaborator, a global US based device OEM. Collaborator 10 is currently conducting AnteoX testing, and initial results are expected towards the end of September.

The coming quarter is set to bring further positive developments across our two divisions. I look forward to keeping you informed with material announcements through the ASX, and a summary of our activities in the next quarterly business update.

Derek Thomson

Chief Executive Officer

Life Sciences

On 12 April, AnteoTech received Conformité Européenne (CE) Mark registration for its EuGeni Reader and the in vitro rapid diagnostic test for the detection of SARS-CoV-2 nucleocapsid antigen. The CE Mark registration enabled us to promote the EuGeni platform more actively and progress our discussions regarding distribution agreements.

EuGeni Platform Play – One reader platform - multiple tests - multiple revenue streams

Core to our Life Science test development program is our test platform, EuGeni AX-2X-S, which is capable of reading any of the suites of lateral flow assays currently in development. This compatibility is key to our lateral flow rapid test growth strategy currently being rolled out via our distributors. Our objective is to place as many readers as we can into the target sectors of the Point-of-Care (PoC) market and use the reader platform to provide access to many different rapid tests required by clinicians. Our growth model is based on our ability to design and manufacture new tests for the EuGeni Reader and generate multiple revenue streams from each reader placed into the market. The more readers that are placed in the market, the more potential customers for the rapid diagnostic tests currently in development, the more revenue for AnteoTech.

EuGeni comes pre-loaded with the current SARS-CoV-2 Ag RDT test program. As AnteoTech develops and releases new rapid lateral flow tests, software updates for EuGeni will be made available for download via the Customer Portal. Updates can then be easily uploaded to the EuGeni Reader via a USB connection.

Distributor Model

The use of Distributors for the sale of medical and diagnostic devices to end-users is the predominant business model within the health care industry. As a new market entrant and legal manufacturer of a lateral flow rapid test platform, AnteoTech, from the outset, has pursued this model as its primary market entry strategy. The distributor model offers significant benefits over a direct sales model, including:

- **Local market knowledge:** Distributors are aware of the regulatory requirements and local business etiquette for operating within their territories.
- **Established sales networks:** Our distributors have been operating in their territories selling IVD products for many years and therefore have established a network of customers as ready target purchasers of the EuGeni platform.

- **Supply Chains & Logistics:** The cost of warehousing and inventory management in sales territories can be complex and costly. The use of distributors can eliminate this as they take on Supply Chains & Logistics responsibility for their territory.
- **Ownership and Credit Risk:** Distributors purchase and legally take financial ownership of the product and manage both local inventory and credit risk. This allows AnteoTech to focus on core competencies of development and manufacturing.

Distribution Agreements

Over the course of the quarter, AnteoTech continued its engagement with a large number of distributors across Europe and South East Asia. Given the inability to travel from Australia, AnteoTech has engaged three on the ground representatives based in Europe and India to aid in this process. With the assistance of these representatives, AnteoTech has arranged a number of evaluations of the EuGeni Reader and COVID-19 RAT Test in the hands of the distributors and their end-users. We were pleased to report that three of these discussions have progressed into the Distribution Agreements that have been announced in the past week.

Common to all our discussions to date is the ability of the distributor to take on selling, marketing and promotion activities in their territories. With the assistance of AnteoTech, our distributors will be responsible for promoting the EuGeni Platform to their customers. We see this as a critical component of our relationships with the distributors, as their local market knowledge will be invaluable in positioning EuGeni to the end customer.

The willingness and ability to participate in public and private tenders has also been a key factor in our discussions, with AnteoTech and the Distributors agreeing to work together on joint submission for COVID-19 RAT tender opportunities, ensuring that the most competitive proposals can be put forward.

BioMed Global - South East Asia

AnteoTech announced its first multi-territory distribution agreement with Biomed Global as the exclusive distributor in Malaysia, Singapore, Indonesia, Vietnam, Thailand, and Myanmar on 19 July 2021. Active for over 20 years, Biomed has a strong distribution network throughout South East Asia and a team of 200 staff. Biomed as the authorised representative, distributor, and importer for the territories in which they have been appointed, will be responsible for executing the necessary registration to the local medical device authorities to enable sales of the EuGeni Reader and tests. AnteoTech will support Biomed with the relevant documentation and data required.

Abacus dx – Australia, New Zealand, Pacific Islands

Brisbane based Abacus dx, was appointed as the exclusive Australia, New Zealand, and Pacific Islands distributor for the EuGeni Platform and SARS-CoV-2 Ag RDT [ASX 19 July 2021]. Founded over 50 years ago, Abacus dx is a distributor of diagnostic pathology, medical research, and innovative laboratory equipment solutions to a range of healthcare practitioners. Its customers include private and public laboratories, blood donor centres as well as university research departments.

Apacor – United Kingdom

On 28 July, AnteoTech announced an agreement with England based Apacor for the exclusive distribution into the United Kingdom. Apacor is a designer and manufacturer of parasitological pre-analytical products and is a supplier of rapid testing solutions with over 25 years' experience. The current Apacor team have many years of experience operating in the UK market, particularly with Government tenders. The addition of the EuGeni Reader and COVID-19 RAT, will diversify their product offering by adding the first high sensitivity reader-based solution to their portfolio.

Australian Market Entry – TGA

Registration with the Therapeutic Goods Administration (TGA) is a prerequisite to sell the EuGeni Reader and test in Australia. A requirement for inclusion in the TGA submission for an in-vitro diagnostic device is the provision of a current audit certificate for ISO13485 compliance. As announced in the last quarterly report, AnteoTech is enhancing its Quality Management System (QMS)to gain Medical Device Single Audit Program (MDSAP) accreditation for foreign markets, which has a flow-on effect to the annual ISO13485 compliance audit. To enable an orderly progression of accreditation for ISO and MDSAP, AnteoTech has brought forward the annual compliance audit by approximately three months. The addressable rapid test market in Australia compared to other opportunities currently being explored remains small, which is why AnteoTech's priority lay with ensuring our quality system meets the regulatory requirements of the territories in which we are seeking to sell.

As reported [ASX 19 July 2021], the TGA submission is targeted for September, the timing of which is dependent on the receipt of the ISO13485 audit certificate from the independent auditors and the updated technical files with additional clinical information that TGA has requested. The timing of registration with the TGA is anticipated in Q4 and is dependent on the time required by the TGA to process the application.

In anticipation of TGA registration in Q4, AnteoTech will commence distributor training and business development activities with Abacus, as the companies work towards building a customer base in the public and private healthcare and screening markets in Australia. In conjunction, AnteoTech will be working with Abacus to sell the EuGeni Platform in the South Pacific. Many of these territories do not require TGA approval.

With the assistance of AnteoTech, Abacus will be taking the lead on domestic direct marketing activities.

Sepsis – Program Update

Following a review of the current rapid lateral flow test development program, an opportunity has been identified to accelerate and enhance the Sepsis Development Program. A dedicated team of assay development scientists, project management, a clinical coordinator, and support positions will be recruited to accelerate the development program.

AnteoTech is building on the proof-of-concept work, completed in May 2020 [ASX 14 May 2020] to develop a de-centralised quantitative PoC diagnostics suite of sepsis tests using the EuGeni Platform. The sepsis test suite will include individual biomarker tests and multiplex tests. By splitting the test into individual biomarkers, AnteoTech can decrease development time, therefore increasing speed to market, for the individual quantitative biomarker tests, with more complex multiplex tests to follow.

The renewed development plan targets clinical evaluation of the first of these tests in late 2021, with regulatory approvals to follow in early to mid-2022. To ensure AnteoTech maintains competitive advantage, the biomarkers used in the development will not be made public until such a point where AnteoTech is required to disclose clinical trials. Updates on the test development will be provided when the Company has material information to share.

About Sepsis

Sepsis is a global problem, which cannot be eliminated via vaccination or herd immunity. It is the body's overwhelming and life-threatening response to infection that can lead to tissue damage, organ failure, and death. Sepsis is a medical emergency that requires rapid diagnosis and treatment.[2]

It is estimated that the global burden of sepsis in 2017 was 48.9 million cases and 11 million sepsis-related deaths worldwide, which accounted for almost 20% of all global deaths. There are significant regional disparities, with low and middle-income countries recording 85.0% of sepsis-related deaths worldwide. [3]

[2] https://www.sepsis.org/sepsis-basics/what-is-sepsis/
[3] https://www.who.int/news-room/fact-sheets/detail/sepsis

A recent report published by Grand View Research estimates that the global sepsis diagnostics market size is expected to reach USD 1.18 billion by 2027. That is an anticipated growth rate of 9.5% CAGR from 2021 to 2027.[4]

Manufacturing Strategy

In May [ASX 24 May 2021] AnteoTech announced its lateral flow rapid test manufacturing strategy developed to meet anticipated demand for the range of tests being developed for the EuGeni Platform over the next three to five years. The strategy focuses on two lateral flow strip manufacturing locations, Operon's facility in Spain and AnteoTech's in-house manufacturing facility in Brisbane.

Production of the EuGeni tests consist of two distinct manufacturing elements:

1. Lateral flow strip manufacture, which includes the preparation and incorporation of the required macromolecules (e.g., antibodies or antigens) and AnteoBind™ activated Europium particles ready for assembly.
2. Cassette assembly and kit packaging including pre-filling of all reagents into ready-to-use buffer bottles.

Image: www.sartorius.com

Lateral flow strip reel & finished strips

Finished packaged kit

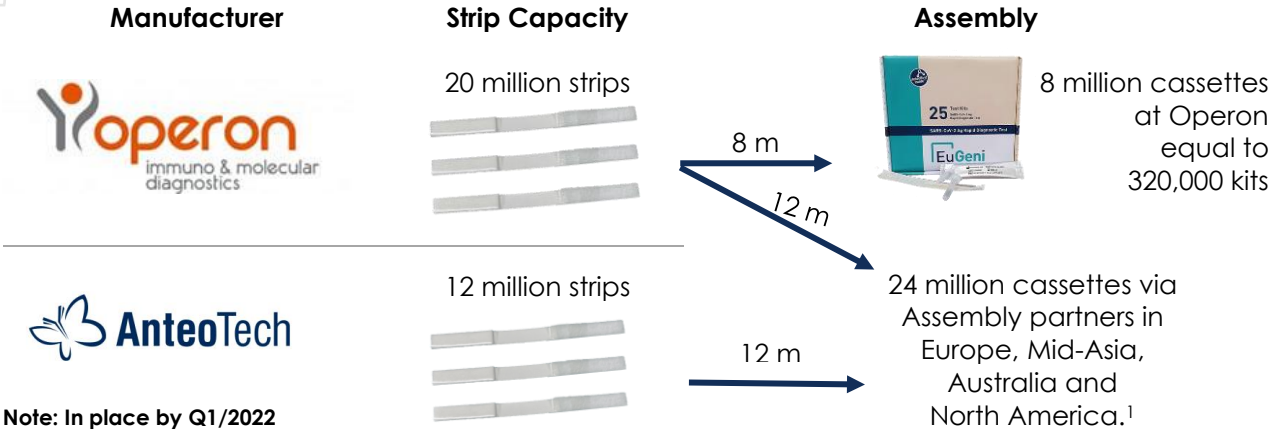
The strategy is a de-centralised approach to lateral flow rapid test manufacturing, which has the key benefits of:

1) Increased speed to market by focusing lateral flow strip manufacture on 1 or 2 sites initially.
2) Decreased production costs by implementing multiple cassette assembly and packaging facilities close to the markets they serve.

Lateral flow test strips (depicted above) are easily transportable, enabling them to be sent to locations around the world for cassette assembly and test kit packaging. AnteoTech's strategy is to engage with cassette and kit assembly partners in Europe, Asia, Australia and North America and utilise these facilities as demand increases. This strategy has several benefits, including the reduced reliance on one assembly partner, decreasing the logistics risks associated with transporting kits globally from a single location, and reduced contract supply and global supply chain risks.

[4] Sepsis Diagnostics Market Size Worth $1.18 Billion By 2027 | CAGR: 9.5%: Grand View Research, Inc. Mar 23, 2021

Manufacturing Capacity



Note: In place by Q1/2022

1. Assembly partners to be appointed as demand increases.

Sample Use Case Validation

As updated on 19 July, the evaluation work for a more patient comfortable method of sample collection, including the saliva use case validation, for the SARS-CoV-2 antigen is ongoing. This work aims to offer alternate specimen sampling methods that are more comfortable and minimally invasive for the patient but retain high levels of sensitivity.

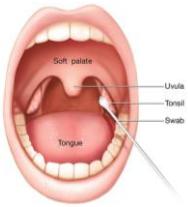
The preliminary work for saliva testing was conducted in-house using saliva samples that were spiked with inactivated SARS-CoV-2 virus. This internal testing concluded that our test strip membrane and lysis buffer are compatible and work with saliva samples, with the test correctly detecting SARS-CoV-2 antigen in the spiked samples. This work was also validated by an independent laboratory.

The next phase of the evaluation was conducted in the UK using stored spit saliva samples (not containing UTM/VTM) from patients who tested RT-PCR positive. It is generally understood that the mouth and saliva is a tricky matrix to work with. There are many variables that come into play, such as an individual's quantum of saliva production, foreign substances from eating, drinking, brushing teeth and also the location from where the samples were taken. The results from the UK study reinforced this variability.

To meet our obligations as the legal manufacturer of a diagnostic device, AnteoTech needs to ensure the 'Instructions for Use' we provide and the data we collect to back this up is reliable, and the results are reproducible by the end user. It was determined that an evaluation using real (fresh) patient samples, where AnteoTech can control the specimen collection procedure and test environment, would be the most appropriate evaluation technique. Fortunately, as this came to light, our business development work in India presented the opportunity to conduct a prospective clinical evaluation through collaboration with a potential distribution partner in India.

The prospective clinical evaluation was undertaken to evaluate the efficacy of different sample specimens, including saliva samples from the oropharyngeal area and mid-turbinate nasal samples for the detection of SARS-CoV-2 antigen. At the time of commencing the evaluation, we had anticipated we would receive sufficient data for CE Mark update, in line with our earlier announced timeline. However, a significant decrease in COVID-19 cases in India over the past weeks has meant it is likely to take additional time to obtain sufficient data to evaluate the efficacy.

Oropharyngeal throat and mid turbinate nasal samples



Oropharyngeal sampling involves the swabbing and collection of epithelial cells from the tonsillar beds and the back of the throat, avoiding the tongue. [5]

Mid-turbinate samples are collected by inserting and gently rotating a swab about 2 cm into the nostril parallel to the palate (not upwards) until resistance is met. [6]

[5] ASM Journals Journal of Clinical Microbiology Vol. 53, No. 2 Equal Performance of Self-Collected and Health Care Worker-Collected Pharyngeal Swabs for Group A Streptococcus Testing by PCR

[6] CDC Nasal mid turbinate specimen collection steps PDF.

EuGeni Launch

On 28 April, AnteoTech marked a significant milestone with the official launch of the EuGeni Platform, atop the Queensland Performing Arts Centre, with the Brisbane skyline as a backdrop. The EuGeni Reader and COVID-19 Antigen Rapid Test are AnteoTech's first end-user products in the in-vitro rapid diagnostic space.

Attended by the Deputy Premier and Minister for State Development, Infrastructure, Local Government and Planning, The Honourable Dr Steven Miles, and live-streamed to investors the launch and following Q&A were by hosted by journalist, commentator and author Madonna King. AnteoTech also extends its thanks to Prof Paul Young and Prof Mary Louise McLaws for their support of the launch event and the Queensland Government for its contribution to the commercialisation of the test and platform. A copy of the Launch Live Stream can be found on the Investor Centre page of the Company website https://www.anteotech.com/investors/

Energy

Following on from last quarter, this reporting period has seen a continued drive to establish market positions through partnerships that will allow for the offering of AnteoX to the industry. Key to this process was a further refinement of the AnteoX business case in conjunction with business development activities and an enhancement of the roadmap of AnteoTech's remaining silicon enabling solutions.

In parallel to the AnteoX product, AnteoTech has continued to formalise the development of a stand-alone offering by combining commonly used and available binder products with AnteoX for use in silicon active material anode designs. We believe this initiative will facilitate a market position that enables broad use of AnteoX in the lithium-ion battery component manufacturer market.

Collaborator 2 - *(A large central European silicon focused chemical company developing anode active materials.)*

During the quarter, AnteoTech was approached by Collaborator 2 with a request to benchmark Collaborator 2's active material products using AnteoTech's processes and know-how. This work program was carried out over a 2.5-month timeframe. AnteoTech incorporated Collaborator 2's active materials into silicon dominant electrodes designed and fabricated by AnteoTech. In addition, AnteoTech carried out tests where Collaborator 2's highest performing materials were combined with AnteoX yielding excellent results. Post the period under review, the results were reported back to Collaborator 2, which were very well received.

The results obtained are expected to initiate a deepening of the relationship between the two companies. As a result, there is potential for Collaborator 2 and AnteoTech to join forces and provide a platform for the marketing of an anode component and AnteoX product to a broad range of industry participants.

Collaborator 8 - *(A very large northern Asian specialty chemical manufacturer with global reach.)*

During this quarter AnteoTech and Collaborator 8 agreed to jointly obtain and compile data packages on specific high silicon content anode designs utilizing Collaborator 8's binder and AnteoTech's AnteoX.

The joint work program was completed, and the individual data packages are currently being reviewed and refined. The next step is expected to be the provision of the data packages to Collaborator 8's battery component manufacturer customers with the aim to conduct trials utilising the combination of Collaborator 8's binder and AnteoX within the customer's preferred silicon anode design.

As communicated in the announcement from the 26 April, should these trials prove successful, Collaborator 8 has indicated they will seek to establish a supply arrangement with AnteoTech to supply the combined offering directly to their customers, including battery manufacturers and device and automotive OEMs. This process is expected to include several gated milestones based on testing results and will run from now until late 2021.

Collaborator 10 - *(A global US based device OEM)*

Business development activities during this quarter have led to the increase of AnteoTech's collaboration base with the addition of a global US-based device OEM coming on board as a testing partner. After an initial exchange of information, Collaborator 10 requested to test a sample of AnteoX which was delivered during this quarter. Testing is in progress, and initial results are expected towards the end of September 2021.

Investor Relations

Investor Stream Interviews

Investor Stream chats with, CEO Derek Thomson – 20 July, 2021

CEO Derek Thomson joins InvestorStream following the Company securing two distribution agreements for its EuGeni Platform targeting the Asian and Australian markets.
https://youtu.be/QIL7ICJIS44

Investor Stream chats with: AnteoTech CEO Derek Thomson - May 25, 2021

CEO Derek Thomson discusses the strongly supported Share Purchase Plan, successfully raising $8 million.
https://youtu.be/hSzopKEOXsw

Investor Stream chats with: CEO Derek Thomson and Head of Energy Manuel Wieser - May 5, 2021

Derek outlines the importance of the Ellume development for AnteoTech and provides an update on the Company's own rapid tests, and delves into the potential pathways to market.
https://youtu.be/f2p9PS0lMSs

Corporate

Placement & Share Purchase Plan

On 26 April, AnteoTech advised that it had secured firm commitments to raise $12m (before costs) through the issue of approximately 46.2m new fully paid ordinary shares at an issue price of $0.26. The placement was strongly supported by a range of new institutional and sophisticated investors.

AnteoTech closed a strongly supported Share Purchase Plan (SPP) on 18 May. Following overwhelming support for the SPP, having received applications totalling $37.1, the Board exercised its discretion to increase the SPP from $4 million to $8 million, resulting in $29.1 million being returned to shareholders.

Funds from the Placement and SPP ($20m before costs) will be put towards the acceleration of the pipeline of tests in development (COVID-19 FluA/FluB Multiplex tests and Sepsis test) and the validation and registration of the tests for introduction to the markets over the coming 18 months. The funds will also be used towards the establishment of local manufacturing capacity for the COVID-19 Antigen Rapid Test and other tests in development.

The funds will also be used towards the commercialisation of AnteoX in the Li-Ion battery market.

Cash

Spend for the quarter has increased due to the scale-up in the production of the EuGeni Readers and cassette manufacturing and investment in additional resources to advance the assay development programs and move to operational readiness.

The Company is well funded to support its near term commercial and clinical milestones, including the expansions required for the in-house test strip manufacturing.

AnteoTech had $21.39 million cash on hand as at 30 June 2021.

ASX Listing Rule 4.7C disclosure

$48,000 was spent during the quarter with Related Parties, as reported in Item 6.1 of the ASX Appendix 4C (Quarterly Cash Flow Report). This comprises the directors' fees.

For further information, please check our website (www.anteotech) or contact Mr Derek Thomson on + 61 7 3219 0085. Media and investor inquiries may also be directed to Friederike Graser, on +61 7 3219 0085.

This announcement has been authorised for release by the Board.

ABOUT ANTEO GROUP – AnteoTech Ltd (ASX:ADO)

AnteoTech 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 by providing unique value-add solutions for its customers. Customers operate in the life sciences, diagnostics, energy and medical devices markets.

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