

**AnteoTech Ltd and its  
Controlled Entities**

ABN 75 070 028 625

**Appendix 4D and  
Interim Financial Report**

Half Year Ended  
31 December 2021

For personal use only

## Appendix 4D

### Half-Year Report

For the half-year ended 31 December 2021

ABN 75 070 028 625

This half-year report is provided by **AnteoTech Ltd (ASX: ADO) ("AnteoTech" or "the Company")** to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A.3. This information should be read in conjunction with the half-year report for the period to 31 December 2021.

Current reporting period: Half-year ended 31 December 2021

Previous corresponding period: Half-year ended 31 December 2020

#### Results for Announcement to the Market

		Percentage Change		Amount
		%		\$'000
Sales revenue from ordinary activities	Down	32%	to	368
Other income from ordinary activities	Up	51%	to	1,967
Total sales revenue and other income from ordinary activities	Up	26%	to	2,335
Loss from ordinary activities after tax attributable to members	Up	161%	to	(3,822)
Net loss for the period attributable to members	Up	161%	to	(3,822)

The consolidated net loss after tax for the half-year ending 31 December 2021 was \$3,821,603 compared with a loss of \$1,466,886 in the same period last year. The increase in losses for the half year are primarily due to a significant increase in total expenses (\$6,156,962 compared to \$3,316,688 for corresponding 2020 period) mostly offset by an increase in total revenue and other income (\$2,335,359 compared to \$1,849,802 for corresponding 2020 period).

Change in total revenue and other income was due to:

- higher R&D grant (\$1,965,463 v 2020: \$1,195,635);
- ATO cashflow boost of nil (2020: \$100,000); and
- lower sales of \$368,466 (2020: \$545,583).

**INTERIM FINANCIAL REPORT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**Appendix 4D (continued):**

The key increases in expenses were:

- higher (by \$494,893) selling/distribution expenses and higher (by \$1,942,258) research expenses, both associated with pursuing the business activities with the Life Sciences business relating to the Company's development and commercialisation of its COVID-19 Rapid Antigen Test (RAT) (refer the Review of Operations) as well as business activities with the Energy business; and

As at 31 December 2021, the Company held cash of \$16,613,683 (30 June 2021: \$21,392,108). The decrease was largely due to an increase in expenditure as explained above.

**Dividends/distributions**

	<b>Amount per security</b>	<b>Franked amount per security</b>
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil

It is not currently proposed to pay dividends.

**Net Tangible Assets**

	<b>2021 cents</b>	<b>2020 cents</b>
Net tangible asset backing per ordinary share	0.93	0.03

**Controlled entities acquired or disposed of**

No changes.

**Review and Emphasis of Matter**

The financial report has been independently reviewed by BDO Audit Pty Ltd, who have issued an unmodified review opinion.

By Order of the Board  
T J Pritchard

**CFO and Company Secretary**

INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

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**CORPORATE DIRECTORY**

**Directors**

Dr John (Jack) Hamilton	Non-Executive Chairman/Director
Dr Geoffrey Cumming	Non-Executive Director
Ms Glenda McLoughlin	Non-Executive Director - Appointed 1 September 2021
Mr Christopher Parker	Non-Executive Director
Dr Katherine Woodthorpe	Non-Executive Director - Appointed 1 September 2021

**Chief Executive Officer**

Mr Derek Thomson

**Company Secretary**

Mr Tim Pritchard

**Registered office**

4/26 Brandl Street, Eight Mile Plains QLD 4113

**Mailing address**

4/26 Brandl Street, Eight Mile Plains QLD 4113

**E-mail:**

contact@anteotech.com

**Website:**

www.anteotech.com

**Legal advisors**

Sparke Helmore Lawyers  
Level 23, 240 Queen Street Brisbane QLD 4000 Australia

**Auditors**

BDO Audit Pty Ltd  
Level 10, 12 Creek Street, Brisbane QLD 4000

**Share registry**

Boardroom Pty Limited  
Level 12, 225 George Street Sydney NSW 2000

**Bankers**

Australia and New Zealand Banking Group Limited  
1/3215 Logan Road, Underwood QLD 4119

CHAIRMAN'S LETTER  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

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Dear Shareholders,

It is with great pleasure that, on behalf of the Board, we present the 2022 Half Year Report of AnteoTech Ltd (ASX: ADO) ("**Company**" or "**AnteoTech**") to shareholders.

The half-year has seen continued high activity and expansion of the Company's activities particularly in the Life Science business with the push to clear the various regulatory hurdles to establish the EuGeni Reader and initial COVID-19 Rapid Antigen Test (**RAT**) into various markets. The Energy business has also made solid progress, with AnteoX in customer evaluation along with the initial prototype micro-Silicon anode design and an expanded collaboration network evaluating both products.

### Life Science

The COVID-19 pandemic shows no signs of abating anywhere in the world and, as new variants emerge, the role of rapid testing in the control of outbreaks has increased in importance. There is now a well-established use of and reliance on rapid testing, with both at-home tests and point of care (**PoC**) tests, such as the EuGeni RAT being widely accepted.

The regulatory landscape continues to shift, with Europe overlaying additional requirements, solely for COVID RAT's. Locally, regulatory authorities have expanded their requirements through the period. As a company, we have responded to these changes with increased organisational capability and identified the need for additional clinical trial data to meet the revised regulatory requirements. The Life Science team is highly focused on driving these trials to completion quickly in a manner that addresses the current regulatory requirements to allow full market access across our target markets.

The foundation for a sales network of distributors progressed through the period. We welcomed Ian Steinhardt as Head of Markets in December and Pierre Nathie as Head of Products and Services in January to strengthen the commercial leadership. Ian and Pierre will drive the rollout of the EuGeni COVID-19 RAT<sup>1</sup> test and guide the final development and regulatory steps for the COVID-19/ Flu A/ Flu B rapid test as well as our initial two Sepsis biomarker point of care rapid tests, readying these for market launch later in the year subject to regulatory approvals in their respective target markets.

We also concluded the contract renewal and extended our partnership with Ellume Pty Ltd for a further five years. Ellume has used AnteoBind™ to great effect in its products, and it is a key element in its successful COVID-19 at home test, which has achieved U.S.A. Federal Drug Administration (**FDA**) emergency use authorisation for the US market.

### Energy

The Energy team has been pushing hard with a focus on commercialising AnteoX and working on developing a prototype micro silicon dominant anode. The team has been particularly pleased with the technical development work on the micro silicon anode prototype which has shown positive results, that are further enhanced with the co-use of AnteoX. These positive results are generating significant interest. Further, encouraging results were obtained in demonstrating the potential for AnteoX (the cross-linker additive) combined with styrene-butadiene rubber (**SBR**)/ carboxymethyl cellulose (**CMC**) binder formulations. If subsequent technical work establishes a similar electrochemical benefit that has previously been shown with PAA binders, access will be opened

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<sup>1</sup> The AnteoTech Antigen Rapid Diagnostic Test detects the SARS-CoV-2 active virus that causes the disease called COVID-19

**CHAIRMAN'S LETTER**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

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for the full range of binder applications in both the high silicon and conventional anode markets which are forecast to grow by 19% CAGR<sup>2</sup> between now and 2040.

The collaborator network also continues to expand but with a greater focus on working with organisations whose internal technical roadmaps for silicon development overlap with AnteoTech's focus on AnteoX applications and the micro silicon anode prototype where in combination they can demonstrate the most differentiated benefit. Progress is being made with Collaborator 2, a European-based silicon manufacturer, on pathways for a joint offering to the market and Collaborator 8, a North Asia binder supplier. End-user customer evaluations of AnteoX and the micro-silicon anode prototype design are also progressing.

**Corporate**

Ms Glenda McLoughlin and Dr. Katherine Woodthorpe, AO, were welcomed onto the Board on September 1 as non-executive directors bringing their respective broad experience to the Board.

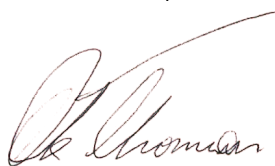
Two Advisory Boards, one for Life Science and one for Energy, were established in July. Prof. Paul Young and Prof. Dominic Dwyer have joined the Clinical Advisory Board and Mr. Oliver Gross and Dr. Kevin Eberman the Energy Advisory Board. Both advisory boards have been active since their establishment, and we welcome the insights we are gaining from these well-respected individuals in guiding the commercial and technical pathways for AnteoTech's products and IP.



Dr John (Jack) Hamilton

**Chairman, Independent Non-Executive Director**

AnteoTech Ltd  
24 February 2022



Mr. Derek Thomson

**CEO**

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<sup>2</sup> Source: Benchmark Mineral Intelligence 2021

**DIRECTORS' REPORT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

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The Directors of AnteoTech Ltd ("**AnteoTech**" or the "**Company**") submit their report for the half-year ended 31 December 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

The following persons were Directors of the Company during or since the end of the half-year ended 31 December 2021:

- Dr John (Jack) Hamilton
- Dr Geoffrey Cumming
- Ms Glenda McLoughlin (appointed 1 September 2021)
- Mr Christopher Parker
- Dr Katherine Woodthorpe (AO) (appointed 1 September 2021)

**PRINCIPAL ACTIVITIES**

The principal activities of the Company consist of research, development and commercialisation of nano-technologies with surface management applications. Activities are primarily focused on the commercialisation of these proprietary technologies across applications in the Life Science and Energy markets.

**REVIEW OF OPERATIONS**

**LIFE SCIENCES**

Activities for the half year were focussed on strengthening the foundations for the long-term growth of the lateral flow tests business based on the EuGeni Reader platform, and progress on commercialisation of the EuGeni Reader and SARS-CoV-2 Ag Rapid Diagnostic Test.

Key areas of focus included:

- the expansion of an international distribution network in Australia, Europe and South-East Asia for the EuGeni platform with [9] distributors appointed in [17] countries;
- the expansion of internal marketing capabilities to drive growth and market entry in these territories;
- establishment of quality control systems and ISO13485 certification and audit;
- progress on regulatory approvals in Europe and Australia through the Therapeutic Goods Administration (**TGA**) submission for listing on the Australian Register of Therapeutic Goods (**ARTG**);
- optimisation of production and quality processes to facilitate scaled up manufacturing in Spain;
- procurement of manufacturing equipment for domestic manufacturing capacity; and
- research and development activities associated with the COVID-19 Flu A/ Flu B Multiplex test and the Sepsis biomarker family of tests;

**DIRECTORS' REPORT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

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**ENERGY**

Activities for the half year were focussed on achieving further progress in demonstrating the performance enhancing capabilities of AnteoX in using silicon in place of carbon in rechargeable Li-ion batteries and ongoing dialogue with energy collaborators.

Key areas of focus included:

- ongoing evaluation of improved electrode performance by utilising AnteoTech technologies for electrode coating cohesion;
- development of a number of micro silicon anode prototypes;
- the evaluation and optimisation of the internally developed micro-silicon anode prototypes;
- discussions with a number of third parties included two battery manufacturers and one technology partner. A fourth organisation, a battery manufacturer, plans to evaluate the anode composition provided by AnteoTech by fabricating and testing it themselves. These anodes are currently being evaluated to determine if the design provided by AnteoTech fits with the organisation's respective technology roadmaps;
- positive results were also observed while investigating preliminary compatibility and stability assessments of AnteoTech's cross-linker additive, AnteoX, with SBR binders. Further investigations will be undertaken to assess the performance of AnteoX with SBR/CMC as an advanced binder formulation especially when scaled up and processed for inclusion in a full anode coating.

The Collaborator program continues to focus on relationships with Collaborators 2 & 8. Discussions around commercialisation pathways with Collaborator 2 and opportunities for a joint product offering with Collaborator 8 are continuing, with engagements progressing positively.

As a result of the strong relationship and ongoing involvement with Collaborators 2 & 8, industry contacts and engagements are evolving to include customers and partners of the collaborators as the Company expands its interactions, now spanning the entire value chain, ranging from raw material suppliers to component and cell manufacturers to device OEMs.

**FINANCIAL PERFORMANCE**

The consolidated net loss after tax for the half-year ending 31 December 2021 was \$3,821,603 compared with a loss of \$1,466,886 in the same period last year. The increase in losses for the half year are primarily due to a significant increase in total expenses (\$6,156,962 compared to \$3,316,688 for corresponding 2020 period) mostly offset by an increase in total revenue and other income (\$2,335,359 compared to \$1,849,802 for corresponding 2020 period).

Change in total revenue and other income was due to:

- higher R&D grant (\$1,965,463 v 2020: \$1,195,635);
- ATO cashflow boost of nil (2020: \$100,000); and
- lower sales of \$368,466 (2020: \$545,583).



**DIRECTORS' REPORT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

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The key movements in expenses were:

- selling and distribution expenses higher (by \$494,893)
- research expenses higher (by \$1,942,258)
- these increases in expenses were associated with the Company's development and commercialisation of its COVID-19 RAT (refer the Review of Operations) as well as business activities in the Energy business;

As at 31 December 2021, the Company held cash of \$16,613,683 (30 June 2021: \$21,392,108). The decrease was largely due to an increase in expenditure as explained above.

**IP – PROVISIONAL PATENT APPLICATION FILING**

During the half year three provisional patent applications were filed relating to the application of AnteoBind technology in diagnostic applications and lateral flow assays. A fourth provisional patent application relating to protective coatings having enhanced features useful in energy storage devices such as Li-ion batteries was also filed.

**COMMERCIAL AND CORPORATE**

**Commercial Contracts**

- Orders from the raw materials business remained steady during the period supported by key customers.

**Governance**

- The Company strengthened the Board with the appointment of two new independent directors, Ms Glenda McLoughlin and Dr Katherine Woodthorpe (AO).
- Establishment of Clinical Advisory Board (Prof Paul Young and Prof Dominic Dwyer) and Energy Advisory Board (Mr Oliver Gross and Dr Kevin Eberman)

**Expanded Management Team**

- The Company appointed Mr Tim Pritchard as CFO and Company Secretary
- In addition two appointments were made to the Life Sciences marketing team: Mr Ian Steinhardt as Head of Market Operations – Life Sciences and Mr Pierre Nathie as Head of Products and Services – Life Sciences.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There were no other significant changes in the state of affairs of the Company for the Half-Year ended 31 December 2021 that have not been otherwise provided in this Directors' Report.

**EVENTS AFTER THE REPORTING PERIOD**

In January 2022, the TGA requested further information in relation to the submission for the registration of the EuGeni Reader and SARS CoV-2 Ag Rapid Diagnostic Test. In response to the TGA's request AnteoTech intends to collect further clinical data based on samples collected directly from patients and immediately analysed on the EuGeni Reader (prospective samples). Australian and European clinical research organisations are coordinating these clinical trials. AnteoTech will be undertaking a new submission to the TGA once the new clinical data from studies in Australia and Europe has been compiled.

**DIRECTORS' REPORT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

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**DIVIDENDS**

The Directors have not declared a dividend to be paid during the period.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the Auditor's Independence Declaration (as required under Section 307C of the Corporations Act 2001) is shown on page 22 and forms part of this report.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the Corporations Act 2001.

On behalf of the Directors



Dr John (Jack) Hamilton

**Chairman, Independent Non-Executive Director**

AnteoTech Ltd  
24 February 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	31 December 2021 \$	31 December 2020 \$
Sales revenue		368,466	545,583
Other income	2	1,966,893	1,304,219
Total revenue and other income		2,335,359	1,849,802
Selling, distribution and business development expenses		827,929	333,036
Occupancy expenses		57,508	53,811
Administration expenses		483,231	291,154
Borrowing costs		220	2,067
Research and development expenses		3,729,336	1,787,078
Amortisation and depreciation	2	274,552	207,917
Share based payments expense		784,186	641,625
<b>(Loss) before income tax</b>		(3,821,603)	(1,466,886)
Income tax expense		-	-
<b>(Loss) for the half year</b>		(3,821,603)	(1,466,886)
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income (loss)</b>		(3,821,603)	(1,466,886)
Earnings per share			
Basic and diluted earnings per share (cents per share)		(0.19)	(0.09)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT HALF YEAR ENDED 31 DECEMBER 2021

	Note	31 December 2021 \$	30 June 2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		16,613,683	21,392,108
Trade and other receivables		304,800	241,764
Other		111,232	154,911
<b>TOTAL CURRENT ASSETS</b>		<b>17,029,715</b>	<b>21,788,783</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	1,841,649	617,180
Rights of use asset		1,133,249	1,269,239
Other	5	656,250	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,631,148</b>	<b>1,886,419</b>
<b>TOTAL ASSETS</b>		<b>20,660,863</b>	<b>23,675,202</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		248,553	563,960
Provisions		336,045	243,358
Lease liabilities		250,466	277,167
<b>TOTAL CURRENT LIABILITIES</b>		<b>835,064</b>	<b>1,084,485</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		493,054	472,167
Lease liabilities		912,921	1,004,715
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,405,975</b>	<b>1,476,882</b>
<b>TOTAL LIABILITIES</b>		<b>2,241,039</b>	<b>2,561,367</b>
<b>NET ASSETS</b>		<b>18,419,824</b>	<b>21,113,835</b>
<b>EQUITY</b>			
Contributed equity	6	87,041,447	86,208,902
Share option reserve	6	2,844,994	2,549,947
Accumulated losses		(71,466,617)	(67,645,014)
<b>TOTAL EQUITY</b>		<b>18,419,824</b>	<b>21,113,835</b>

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Ordinary Shares	Share Option Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	64,291,701	346,963	(61,429,430)	3,209,234
Losses attributable to members of the parent entity in capacity as owners	-	-	(1,466,886)	(1,466,886)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	<b>(1,466,886)</b>	<b>(1,466,886)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Options exercised during the period	3,958,975	-	-	3,958,975
Share bonus issue	62,156	-	-	62,156
Options expensed for the period	-	579,469	-	579,469
Capital raising costs	(176,032)	-	-	(176,032)
<b>Balance at 31 December 2020</b>	<b>68,136,800</b>	<b>926,432</b>	<b>(62,896,316)</b>	<b>6,166,916</b>
<b>Balance at 1 July 2021</b>	86,208,902	2,549,947	(67,645,014)	21,113,835
Losses attributable to members of the parent entity in capacity as owners	-	-	(3,821,603)	(3,821,603)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	<b>(3,821,603)</b>	<b>(3,821,603)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Options exercised during the period	343,406	-	-	343,406
Share bonus issue	489,139	-	-	489,139
Options expensed for the period	-	295,047	-	295,047
<b>Balance at 31 December 2021</b>	<b>87,041,447</b>	<b>2,844,994</b>	<b>(71,466,617)</b>	<b>18,419,824</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	<b>31 December 2021</b>	<b>31 December 2020</b>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	305,431	562,717
Receipts from government grants and rebates	1,965,463	1,195,635
Receipts from ATO cashflow boost	-	100,000
Payments to suppliers and employees	(5,216,036)	(2,158,493)
Borrowing costs	(220)	(2,067)
Interest received	1,430	1,045
Other	-	7,539
Net cash (used in) operating activities	<u>(2,943,933)</u>	<u>(293,624)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payment for property, plant and equipment	(2,041,803)	(149,007)
Net cash (used in) investing activities	<u>(2,041,803)</u>	<u>(149,007)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from option exercises	343,406	3,965,349
Capital raising costs	-	(176,032)
Repayment of lease liability	(136,095)	(127,086)
Net cash (used in) provided by financing activities	<u>207,311</u>	<u>3,662,231</u>
Net increase (decrease) increase in cash held	(4,778,425)	3,219,600
Opening cash brought forward (including cash in assets and disposal group classified as held for sale)	21,392,108	3,214,537
Closing cash carried forward	<u>16,613,683</u>	<u>6,434,137</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

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**1. Summary of accounting policies**

**Basis of Preparation**

These consolidated interim financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the 'Group'). They have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

AnteoTech Ltd (ASX:ADO) is a ASX listed public company, incorporated and domiciled in Australia.

These half year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the group as the full financial statements. Accordingly, these half year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2021 and any public announcements made by AnteoTech Ltd during the half year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have generally been followed in these half year financial statements as compared with the most recent annual financial statements, except for the adoption of new standards effective as of 1 July 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The preparation of the interim financial report required management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported assets and liabilities, income and expenses. The significant judgements made by management in applying Group accounting policies were same as those applied to the annual financial report for the year ended 30 June 2021.

Judgements and estimates which are material to the interim financial report relate to:

*Share based payments*

The Group uses estimates to determine the fair value of equity instruments issued to Directors, executives and employees. The estimates include volatility, risk free rates and consideration of satisfaction of performance criteria for recipients of equity instruments.

**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 half-year ended 31 December 2021 the Group generated total revenue and other income of \$2,335,359 (including \$1,965,463 of ATO R&D rebate), a consolidated loss of \$3,821,603 and incurred operating cash outflows of \$2,943,933. As at 31 December 2021 the Group has cash and cash equivalents of \$16,613,683, net assets of \$18,419,824 and no debt.

The Group has prepared a budget covering the period at a minimum of 12 months to February 2023, and based on that budget the Directors are satisfied that the Group has sufficient cash reserves to meet the debts as and when they fall due. Therefore the Directors have concluded that it is appropriate for the Group to prepare these financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE HALF YEAR ENDED 31 DECEMBER 2021

1. Summary of accounting policies (continued)

**New and amended standards adopted by the group**

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards as they were either not relevant or the impacts were not material.

2. Results for the Half-year

The loss before income tax expense has been determined after:

**Amortisation and depreciation of non-current assets:**

	31 December 2021 \$	31 December 2020 \$
Amortisation of right to use asset (leased premises)	(135,990)	(118,597)
Depreciation of leasehold asset (office fit out)	(36,016)	(26,939)
Depreciation of plant and equipment	(102,546)	(62,381)
Total depreciation of non-current assets	<u>(274,552)</u>	<u>(207,917)</u>

**Staff remuneration**

Salaries and fees	(1,964,432)	(1,095,545)
Superannuation	(158,639)	(86,268)
Share based payments	(784,186)	(641,625)
	<u>(2,907,257)</u>	<u>(1,823,438)</u>

**Other income**

R&D tax concession rebate and grants	1,965,463	1,195,635
ATO cashflow boost	-	100,000
Interest	1,430	1,045
Other	-	7,539
	<u>1,966,893</u>	<u>1,304,219</u>

**Research and development expenses**

Staff related expenses	2,584,324	1,367,501
Lab materials and equipment	751,076	283,996
Consulting	393,936	135,581
	<u>3,729,336</u>	<u>1,787,078</u>

3. Segment reporting

The Group has determined that it has only one operating segment being the development and commercialisation of the IP of the Group. The operating segment identified is based on the internal reports that are reviewed and used by those charged with governance in assessing performance and determining the allocation of resources. 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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

4. Property, plant and equipment

	31 December 2021 \$	30 June 2021 \$
Plant and equipment, at cost	2,146,063	1,528,166
Accumulated depreciation	(1,259,945)	(1,204,337)
	886,118	323,829
EuGeni Readers at cost	663,163	-
Accumulated depreciation	(18,782)	-
	644,381	-
Furniture and fittings, office equipment, at cost	596,473	514,501
Accumulated depreciation	(437,571)	(409,414)
	158,902	105,087
Leasehold improvements at cost	360,160	360,160
Accumulated depreciation	(207,912)	(171,896)
	152,248	188,264
Total property, plant, and equipment	1,841,649	617,180

Movement in carrying amounts

Movement in carrying amounts for each class of property, plant and equipment for the six months ended 31 December 2021 is as follows:

	Plant and equipment	EuGeni Readers	Furniture and fittings and office equipment	Leasehold improvements	Total
	\$	\$	\$	\$	\$
<b>Cost</b>					
At 30 June 2021	1,528,166	-	514,501	360,160	2,402,827
Additions	617,897	663,163	81,972	-	1,363,032
Disposals	-	-	-	-	-
At 31 December 2021	2,146,063	663,163	596,473	360,160	3,765,859
<b>Depreciation</b>					
At 30 June 2021	1,204,337	-	409,414	171,896	1,785,647
Depreciation	55,608	18,782	28,157	36,016	138,563
Write-offs and adjustments	-	-	-	-	-
At 31 December 2021	1,259,945	18,782	437,571	207,912	1,924,210
Written Down Value	886,118	644,381	158,902	152,248	1,841,649

EuGeni Readers are available for distribution to customers and are measured at cost less accumulated depreciation. The Group has determined that the useful life is 10 years and depreciation is on a straight line basis over this useful life.

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE HALF YEAR ENDED 31 DECEMBER 2021

5. Other Non-current Assets

Other non-current assets on the statement of financial position represent prepayments for EuGeni Readers. Under the commercial agreement for purchase of the readers a 35% deposit of the purchase price is required upon raising an order. This deposit is recorded as a non-current prepayment until the readers are delivered and the final 65% of the purchase price is invoiced.

6. Contributed equity and reserves

6 (a) Contributed equity ordinary shares

	Number	\$
<b>At 1 July 2021</b>	<b>1,952,679,958</b>	<b>86,208,902</b>
CEO and staff bonus share issues	3,337,258	489,139
Unlisted options exercised	15,259,500	260,376
Listed options exercised	2,767,676	83,030
<b>At 31 December 2021</b>	<b>1,974,044,392</b>	<b>87,041,447</b>

6 (b) Share options (unlisted) and other employee remuneration measures

	Number	\$
<b>At 1 July 2021</b>	<b>30,413,769</b>	<b>2,549,947</b>
Issue of options*	4,018,100	271,561
Lapsed options	(523,500)	-
Exercised options	(15,259,500)	-
CEO bonus shares	607,692	23,486
<b>At 31 December 2021</b>	<b>19,256,561</b>	<b>2,844,994</b>

\*Allocation of value of options issued during the half-year ended 31-Dec-21 and options previously issued

6 (c) Share options (listed)

	Number	\$
<b>At 1 July 2021</b>	<b>81,547,837</b>	-
Exercised options	(2,767,676)	-
<b>At 31 December 2021</b>	<b>78,780,161</b>	-

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

6. Contributed Equity and reserves (continued)

Share based payment expense recognised during the half year

	31 December 2021
Allocation of value of options issued to staff during 2020 <sup>(1)</sup>	89,189
Allocation of value of options issued to D Thomson (CEO) during 2020 <sup>(2)</sup>	24,634
Allocation of value of options issued to staff during 2021 <sup>(1)</sup>	77,235
Allocation of value of options issued to staff during 2022 <sup>(3)</sup>	80,503
Allocation of value of CEO and staff bonus share issues <sup>(4)</sup>	512,625
<b>Total share based payment expense</b>	<b>784,186</b>

Notes for the above table:

- 22,184,100 options were granted to staff for the year ended 30 June 2020 and 14,283,000 options were granted to staff during the year ended 30 June 2021.
- 18,000,000 options were granted Derek Thomson, the CEO of the Company.
- 4,108,100 options were granted to staff for the half year ended 31 December 2021. The valuation method used to value the options is set out below.

1,342,158 shares were issued to Derek Thomson, the CEO of the Company, in accordance with his services agreement as part of his short-term incentive. 1,995,100 shares were issued to staff in lieu of options in accordance with the FY21 short term incentive scheme. Further information regarding the Company's unlisted options issued during the half-year ended 31 December 2021 is set out below.

The unlisted options outstanding as at 31 December 2021 and their movement during the half-year were as follows.

Grant date	Expiry date	Exercise price cents	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at 31 Dec 2021
03/08/2020	31/12/2022	0.01	14,283,000	-	(13,759,500)	(523,500)	-
12/11/2020	12/11/2023	0.01	6,900,000	-	(1,500,000)	-	5,400,000
02/08/2021	31/12/2023	0.01	-	1,474,400	-	-	1,474,400
02/08/2021	31/12/2024	0.01	-	1,122,300	-	-	1,122,300
02/08/2021	30/06/2025	0.01	-	1,100,000	-	(1,100,000)	-
01/12/2021	31/12/2023	0.01	-	511,100	-	-	511,100
01/12/2021	31/12/2024	0.01	-	423,200	-	-	423,200
01/12/2021	06/12/2024	0.01	-	487,100	-	-	487,100
			<b>21,183,000</b>	<b>5,118,100</b>	<b>(15,259,500)</b>	<b>(1,623,500)</b>	<b>9,418,100</b>
Weighted average exercise price cents			0.01	0.01	0.01	0.01	0.01

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**6. Contributed Equity and reserves (continued)**

**Valuation Model – 2022 unlisted staff options**

1,474,000 options were issued to staff in August 2021 and 511,100 options issued to staff in December 2021. The staff options vest only upon meeting certain Key Performance Indicators (KPIs) (non-market conditions). Once the Directors determine the achievement of the KPIs (after 30 June 2022) and apply the final weighting, the resulting options will only vest if a share price hurdle (market condition) is then met. The fair value of both tranches of staff options issued in the period were determined at grant date, by an independent valuer engaged by the Company, using a Monte Carlo simulation option valuation 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), option life and the risk free rate. The inputs used for the Monte Carlo simulation option valuation model for both tranches of these options are set out below.

Under this model, the future daily stock prices of the Company were simulated to 31 December 2023 based on the number of trading days. 30 day VWAPs for the period to 30 June 2023 were also simulated, resulting in the Option values estimated (and averaged) over 100,000 iterations.

	Grant Date	Expiry Date	Number Issued	Share price at grant date cents	Exercise price cents	Initial VWAP	Expected volatility	Risk-free rate	Fair value at grant date cents
i)	02/08/2021	31/12/2023	1,474,000	21.5	0.01	0.2627	85%	0.02%	17.08
ii)	01/12/2021	31/12/2023	511,100	20.0	0.01	0.2627	90%	0.54%	15.38

- (a) Vesting upon a 30 day volume weighted average price (VWAP) after 1 July 2022 exceeding 0.2627 cents per share, being the VWAP for the period between 1 June 2021 and 30 June 2021; and/ or
- (b) the VWAP for any 30 day period after 2 July 2022 and before 30 June 2023 is higher than the Initial VWAP.

**Valuation Model – 2022 unlisted senior staff options**

487,100 options were issued to senior staff in August 2021 and 423,200 issued to senior staff in December 2021. The senior staff options vest only upon meeting certain Key Performance Indicators (KPIs) (non-market conditions). Once the Directors determine the achievement of the KPIs (after 30 June 2022) and apply the final weighting, the resulting options will only vest if a share price hurdle (market condition) is then met.

The fair value of both tranches of senior staff options issued in the period were determined at grant date, by an independent valuer engaged by the Company, using a Monte Carlo simulation option valuation 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), option life and the risk free rate. The inputs used for the Monte Carlo simulation option valuation model for both tranches of these options are set out below.

Under this model, the future daily stock prices of the Company were simulated to 31 July 2024 based on the number of trading days. 30 day VWAPs for the period to 30 June 2023 were also simulated, resulting in the Option values estimated (and averaged) over 100,000 iterations.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

6. Contributed Equity and reserves (continued)

	Grant Date	Expiry Date	Number Issued	Share price at grant date cents	Exercise price cents	Initial VWAP	Expected volatility	Risk-free rate	Fair value at grant date cents
i)	02/08/2021	31/07/2024	487,100	21.5	0.01	0.2627	85%	0.13%	17.50/11.84
ii)	01/12/2021	31/07/2024	423,200	20.0	0.01	0.2627	90%	0.93%	16.31/10.90

- (a) Vesting upon a 30 day volume weighted average price (VWAP) after 1 July 2022 exceeding 0.2627 cents per share, being the VWAP for the period between 1 June 2021 and 30 June 2021; and/ or
- (b) the VWAP for any 30 day period after 2 July 2022 and before 30 June 2023 is higher than the Initial VWAP.
- (c) Once the Share Price Hurdles are met:
- One third of the Threshold Options will become Vested Options immediately;
  - A further one third of the Threshold Options will become Vested Options on 31 July 2023; and
  - A further one third of the Threshold Options will become Vested Options on 31 July 2024.
- (d) Any options that do not become Threshold Options or meet the Share Price Hurdles survive and become Balance Options.
- (e) 50% of the Balance Options will vest and become Vested Options if the Company's 30 day VWAP Share price at 31 July 2024 is 75% higher than the Initial VWAP. The remaining 50% of the Balance Options will vest and become Vested Options if the Company's 30 day VWAP Share price at 31 July 2024 is 125% higher than the Initial VWAP.
- (f) Any Balance Options that have not vested at 31 July 2024 will lapse on that date.

**Valuation Model – 2022 unlisted staff sign on options and senior staff bonus options**

635,200 bonus options were issued to senior staff in August 2021 and 487,100 bonus sign on options were issued to staff in December 2021. Both tranches of these options vest only upon the respective staff meeting their service commitment with the company over the vesting period.

The fair value of 635,200 bonus options (issued to senior staff in August 2021) and 487,100 bonus sign on options (issued to staff in December 2021) 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, expected volatility (determined by reference to historical volatility of the share price of similar companies), option life and risk free rate.

The inputs used for the Black-Scholes option pricing model for the 635,200 options issued during August 2021 and 487,100 options issued in December 2021 are set out below.

	Grant Date	Expiry Date	Number Issued	Share price at grant date cents	Exercise price cents	Expected volatility	Risk-free rate	Fair value at grant date cents
i)	02/08/2021	31/07/2024	635,200	21.5	0.01	85%	0.13%	21.5
ii)	01/12/2021	06/12/2024	487,100	20.0	0.01	90%	0.93%	20.0

## **6. Contributed Equity and reserves (continued)**

### **Valuation Model – 2022 unlisted CFO options**

During the period, 1,100,000 options were granted to the previous CFO in August 2021 with expiry date of 30 June 2025. These lapsed in the period as a result of vesting conditions not being met.

## **7. Events Subsequent to Reporting Date**

In January 2022, the TGA requested further information in relation to the submission for the registration of the EuGeni Reader and SARS CoV-2 Ag Rapid Diagnostic Test (RDT). In response to the TGA's request AnteoTech intends to collect further clinical data based on samples collected directly from patients and immediately analysed on the EuGeni Reader (prospective samples). Australian and European clinical research organisations are coordinating these clinical trials. AnteoTech will be undertaking a new submission to the TGA once the new clinical data from studies in Australia and Europe has been compiled.

There were no other events subsequent to the reporting date.

**DIRECTORS' DECLARATION**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

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In accordance with a resolution of the Directors of AnteoTech Ltd, In the opinion of the directors:

- a. the consolidated financial statements and notes of AnteoTech Ltd set out on pages 12 to 18 are in accordance with the *Corporations Act 2001*, including
  - i. giving a true and fair view of its financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
  - ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

On behalf of the Directors



Dr John (Jack) Hamilton  
**Chairman, Independent Non-Executive Director**

AnteoTech Ltd  
24 February 2022

AUDITOR'S INDEPENDENCE DECLARATION  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021



Tel: +61 7 3237 5999  
Fax: +61 7 3221 9227  
[www.bdo.com.au](http://www.bdo.com.au)

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

**DECLARATION OF INDEPENDENCE BY L G MYLONAS TO THE DIRECTORS OF ANTEOTECH LTD**

As lead auditor for the review of AnteoTech Ltd for the half-year ended 31 December 2021, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of AnteoTech Ltd and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'L G Mylonas', is written over a thin horizontal line.

**L G Mylonas**  
Director

**BDO Audit Pty Ltd**

Brisbane, 24 February 2022

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of AnteoTech Ltd

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of AnteoTech Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 (including Independence Standards)* (the Code) that are relevant to the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit Pty Ltd**

BDO  


**L G Mylonas**

Director

Brisbane, 24 February 2022

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