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Anteo Diagnostics Limited Announces Proposed DIAsource Acquisition Funding Package

Highlights:

- **Anteo Diagnostics Limited is in the final stages of securing the DIAsource ImmunoAssays S.A. acquisition funding package**
- **Entitlement Issue to raise up to \$12m**
- **Conditional Heads of Agreement for a Convertible Note with a value of €10m (\$14.7m)**
- **Execution of the funding package will enable completion of the DIAsource acquisition and contribute funds to working capital**

30 November 2015 - Anteo Diagnostics Limited (ASX: ADO) (**Anteo** or the **Company**) is pleased to announce it is in the final stages of securing a funding package for the 100% acquisition of DIAsource ImmunoAssays S.A. (**DIAsource**), an established and profitable diagnostics company, based in Belgium.

As previously advised, Anteo's ability to complete the acquisition of DIAsource is dependent on the Company securing appropriate funding.

The proposed funding package of \$26.7m includes a \$12.0m Entitlement Issue and a €10m (approximately \$14.7m) Convertible Note. The Company may consider placing additional stock to institutional and sophisticated investors at completion of the Entitlement Issue.

No shareholder approval is necessary in respect of the shares issued under the terms of the Entitlement Issue or Convertible Note.

Entitlement Issue

Anteo is pleased to invite Eligible Shareholders (as defined in the Offer Document), who are shareholders on 4 December 2015 (**Record Date**), to participate in a 1 for 5.35 non-renounceable Rights Issue to raise up to a maximum of \$12,018,427.

Entitlement Issue shares will be priced at \$0.075 per share, which represents a 14.3% discount to the 5 day Volume Weighted Average Price (**VWAP**) of the Company's shares and an 12.8% discount to the closing price of \$0.086 on 27 November 2015. In addition to their own entitlement, Eligible Shareholders will have the right to apply for any entitlements not taken up, and the Company holds the right to place any shortfall thereafter at its sole discretion.

Underwriting Arrangements

The Company has entered into a conditional underwriting agreement with PAC Partners Pty Ltd, an Australian based capital markets and corporate advisory firm (**Underwriter**). The Underwriter's obligation to subscribe for any shortfall shares under this Entitlement Issue is subject to the Underwriter entering into sub-underwriting agreements (up to the amount of \$12,018,427 or as agreed between the Company and PAC Partners) prior to the date of closing of the Entitlement Issue and the Company entering into a formal documentation for the issue of the Convertible Note (see details below). The Entitlement Issue will only be underwritten to the extent that there are sub-underwriting agreements in place.

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If the conditions are not satisfied or waived by the Underwriter, then the Entitlement Issue will not be underwritten.

Sub-underwriting Arrangements

It is anticipated that the Underwriter will enter into a number of sub-underwriting agreements, including those with the Company's Chief Executive Officer, Dr Geoff Cumming and Chief Financial Officer, Mr Richard Martin for an amount up to \$900,000 (collectively).

Shares issued in the Entitlement Issue will be quoted on the ASX and rank equally with existing Anteo shares.

All Directors have confirmed their intention of taking up their full entitlement rights.

Convertible Note

The Company has entered into a terms sheet with a Toronto-based institutional investor (**Noteholder**), under which the Company will raise €10,000,000 via the issue of a Convertible Note to the Noteholder.

The Noteholder's obligation to subscribe for the Convertible Note is subject to a number of conditions, including due diligence investigations being to its satisfaction. The conditions are expected to be satisfied prior to the date of closing of the Entitlement Issue. The Company will inform shareholders on satisfaction of the Noteholder's due diligence investigations and confirmation of the Convertible Note.

The terms of the Convertible Note provide for the repayment of principal and interest over a four year period. The Convertible Note has a 10% p.a. coupon and can be converted into ordinary Anteo Shares at any time, up to 4 years from the date of issue (at the election of the Noteholder), with a minimum conversion price of \$0.15 per share and tranche of €500,000.

If the conditions are not satisfied or waived by the Noteholder, then in the absence of any other alternate funding, and despite the raising of funds under this Offer, the Company may not be in a position to complete the acquisition of DIAsource.

Placement

In addition to the Entitlement Issue and Convertible Note, subject to demand, the Company may accept applications from select financial institutions, sophisticated and professional investors to place shares in the Company at the same price as the Entitlement Issue.

Funding Arrangements

"The Anteo team has worked hard to deliver a funding package that will provide the best outcome for our shareholders," said CEO, Dr Geoff Cumming.

"The Convertible Note is an attractively priced hybrid instrument that provides Anteo with significant flexibility from both a capital structuring and cash-flow management perspective, while the Entitlement Issue provides shareholders the opportunity to participate in the Company's growth at an attractive discount to market."

"We strongly encourage shareholders to participate in the Entitlement Issue to support the acquisition of DIAsource. The benefits resulting from the pairing of the two companies have become increasingly evident since the transaction was initially announced to shareholders. Together with the DIAsource management team, we are greatly looking forward to

leveraging our knowledge, skillsets and unique technology for the benefit of all shareholders,” finished Dr Cumming.

Application of Funds

The proceeds of the Convertible Note and Entitlement Issue will be used to fund the cash component of the acquisition of DIAsource (as announced to the ASX on 26 August 2015), to meet transactional costs of the funding package and for general working capital purposes, as illustrated below.

Sources and Uses of Funds		Expressed un Australian Dollars	
Sources		Applications	
Convertible Note	14,670,000	DIAsource Cash Consideration	21,124,800
Rights Issue	12,018,427	Convertible Note Pre-paid Interest and Fees	3,819,610
		Rights Issue Costs	721,106
		Working Capital	1,022,912
	<u>26,688,427</u>		<u>26,688,427</u>

All in AUD, based on AUD:EUR = 0.682

Acquisition of DIAsource ImmunoAssays SA (Belgium)

- Purchase price of €15.4m (\$22.7m) with a two year earn out to vendors up to a maximum of €7.3m (\$10.7m), subject to achievement of business revenue and margin targets, with a minimum 20% in shares.
- At Anteo’s recent Annual General Meeting, shareholders approved the issue of shares in Anteo to the vendors of DIAsource. Certain DIAsource shareholders have indicated a desire to take scrip in Anteo on the same terms as the Entitlement Issue, to the value of between €1m and €3m. This equates to between 1.7% and 5.1% of Anteo’s fully diluted share capital at completion, assuming full uptake of the Entitlement Issue.
- The issuance of Anteo shares to DIAsource shareholders reduces the cash component of the purchase price to between €14.4m (\$21.1m) and €12.4m (\$18.2m).
- DIAsource achieved 2014 revenue of €11.9m (\$17.5m) and €7.2m (\$10.6m) in first half of 2015, with EBITDA margins of 20%.
- DIAsource team to join Anteo, with highly-experienced DIAsource Chairman, Rolf Sickman, to join Anteo’s Board as a non-executive Director and CEO/Founder, Dr Jef Vangenechten, to continue to manage the current DIAsource business and join the group executive team.
- DIAsource’s existing platform provides significant opportunities for Anteo’s Mix&Go technology, delivering tailored customer offerings and accelerating sales of the Mix&Go technology product range.
- New combined group employees to number 100.
- The acquisition is expected to complete on or before 31 December 2015.

Anteo is advised by PAC Partners as lead manager to the transaction. Ferghana Partners (New York, Boston and London] initiated the DIAsource acquisition transaction, advised Anteo on the terms of its acquisition and originated/advised on the Convertible Note. Achelous Partners was the corporate advisor to DIAsource.

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Audio interview

CEO, Dr Geoff Cumming will provide further detail on the DIAsource acquisition funding package via an audio interview which will be released to market on Tuesday 1 December 2015.

For further information, see our website (www.anteodx.com) or contact the persons listed below.

Company	Media and Investors
Dr. Geoff Cumming, Chief Executive Officer T: + 61 7 3219 0085	Sean Kennedy, PAC Partners E: skennedy@pacpartners.com.au T: +61 414 185 797
Richard Martin, Chief Financial Officer T: + 61 7 3219 0085	Jane Lowe, IR Department E: jane.lowe@irdepartment.com.au T: + 61 411 117 774

About Anteo

Anteo Diagnostics Limited (ASX: ADO) is a global medical technology company, developing and commercialising products for sale into the life sciences, in-vitro diagnostics, point of care, medical devices and bioseparations markets.

The Anteo group owns a patented nanoglue technology, which is used by healthcare customers for incorporation into their existing tests and tests under development, to consistently enable laboratory test results that can either be delivered faster, cheaper, or with greater specificity or sensitivity than incumbent tests.

This nanoglue technology, called Mix&Go for healthcare markets, is starting to gain traction with the Company's target markets, due to its ability to revolutionise the way scientists work.

While Anteo is largely focused on the healthcare markets, the nanoglue technology also has potential for use in other areas, such as batteries. Early stage research is being conducted into the viability of this battery product.

For more information, please visit www.anteodx.com

About DIAsource

DIAsource ImmunoAssays S.A. is a global specialty diagnostics company that develops, manufactures, markets and distributes clinical diagnostic products in the field of endocrinology, with a leading portfolio of Vitamin D products and comprehensive catalogue of ELISA and RIA products offered to customers worldwide. DIAsource is a vertically integrated company, from R&D and antibody production through to customer service solutions that include lab automation instrumentation.

DIAsource is present in 75 countries and sells products both directly and through a global network of 90 main distributors and 40 OEM partners.

For more information, please visit www.diasource-diagnostics.com

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