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# **ANTEO DIAGNOSTICS LTD (ASX:ADO)**

**Annual General Meeting  
23<sup>rd</sup> November 2009  
WELCOME**



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# MEETING FORMAT

- Introductions
  - Chairman's Review
  - Financial Accounts
  - Formal Resolutions
  - Other Business
- Meeting Close
- CEO Report

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# INTRODUCTIONS



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# INTRODUCTIONS

## **Anteo Diagnostics Limited**

- ❑ Richard Martin – Non Executive Director - Meeting Chairman
- ❑ Dr Geoff Cumming – CEO
- ❑ Lara Iacusso – Non Executive Director
- ❑ Dr Robert Gilmour – Non Executive Director
- ❑ Joe Maeji – Chief Scientific Officer
- ❑ Nevin Abernethy – Chief Product Development and Research Officer
- ❑ Shane Hartwig – Company Secretary

## **Grant Thornton**

- ❑ Daniel Carroll – Partner

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# CHAIRMAN'S REVIEW



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# 2009, YEAR IN REVIEW

This year the company has focused on consolidating its core strengths, understanding its potential markets and moving towards the commercialisation of the company's Mix&Go technology. In particular the company has achieved the following:

- Appointed a new CEO, Dr Geoff Cumming, who since his appointment has progressed the company's projects and business development activities. I would like to thank Dr Joe Maeji one of the founders of the company for his service in the role of acting Chief Executive Officer.
- Entered into and successfully completed an agreement with Manawatu Diagnostic Limited (MDx) to develop assays for ovarian monitoring. MDx are undertaking market research to determine how to fully commercialise this assay.
- Undertaken a series of internal projects aimed at improving the scientific processes, validity and reliability of the Mix&Go technology on numerous bead formats. This work resulted in Mix&Go becoming a hardened product ready for use by our partners.
- As a result of the above work, the company has entered into and is progressing discussions with an increasing number of international bead manufacturers and IVD companies.
- Entered into a conditional co-operation and licensing agreement with a Malaysian counterparty for the use of Mix&Go on a limited number of applications, within a specified manufacturing territory.
- Announced and successfully completed 1 for 1 non-renounceable rights issue and placement that raised approximately \$1.40 million.
- It is expected that the completion of all or some these funding alternatives, together with expected success from the company's ongoing business development activities will be sufficient to ensure the ongoing viability of the company

# 2009, YEAR IN REVIEW

## Result for the Year to 30 June 2009

The net consolidated operating loss \$1.95 million and represented the ongoing effort directed towards developing and commercializing the Mix&Go products

## Changes to the Board of Directors

In December, James Henderson was appointed to the Board and assumed the role of Chairman. This was followed by the appointment of Dr Geoff Cumming in April this year. Mr Bruce Rathie departed as a director in August and I would like to thank him and the rest of the Board for their services over the past year.

## Conclusion

The achievements of the company in the 2009 year have highlighted the value of the Mix&Go technology and provided strong endorsement of the cost and competitive advantages to be achieved from its use. The technical team continues to be integral to the commercialisation of the core technology as well as the ability to effectively execute assay development and other agreements. These factors mean the company is well placed to achieve commercial and lasting outcomes for its shareholders.

Geoff Cumming our CEO will, in his report, provide more detail on the specific activities and progress made. Suffice to say, the company remains committed to generating value for shareholders. We hope to be able to announce the achievement of successful transactions in the coming year

## Thank You

On behalf of Anteo Diagnostics Limited and my fellow Directors I should like to express our sincere thanks to our shareholders, business partners and employees for their support of our Company during the past year. We look forward to a long and fruitful partnership with them all going forward.

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# FINANCIAL ACCOUNTS



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# PROFIT AND LOSS

	Note	Economic Entity		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
Sales revenue	2	226,312	81,114	-	-
Cost of sales		-	-	-	-
<b>Gross profit</b>		<b>226,312</b>	<b>81,114</b>	<b>-</b>	<b>-</b>
Other revenue from ordinary activities	2	575,607	1,140,515	120,560	64,808
Selling and distribution expenses		(324,651)	(272,049)	-	-
Occupancy expenses		(11,000)	(330)	(11,000)	(330)
Administrative expenses – Other		(564,700)	(778,945)	(563,760)	(778,945)
Borrowing costs	3	(201)	(4,139)	-	(3,952)
Research and development expenses		(1,769,450)	(1,896,391)	-	-
Impairment of financial assets		-	-	(1,548,898)	(14,950,111)
Other expenses from ordinary activities		(81,192)	(32,095)	(81,192)	(455)
<b>Loss from ordinary activities before income tax benefit</b>		<b>(1,949,275)</b>	<b>(1,762,320)</b>	<b>(2,084,290)</b>	<b>(15,668,985)</b>
Income tax benefit relating to ordinary activities	4	-	-	-	-
<b>Loss from ordinary activities after income tax benefit</b>	17	<b>(1,949,275)</b>	<b>(1,762,320)</b>	<b>(2,084,290)</b>	<b>(15,668,985)</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b>(1,949,275)</b>	<b>(1,762,320)</b>	<b>(2,084,290)</b>	<b>(15,668,985)</b>
Basic loss per share (cents)	7	(1.1)	(1.9)		
Diluted loss per share (cents)	7	(0.8)	(1.5)		

# BALANCE SHEET

	Note	Economic Entity		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>CURRENT ASSETS</b>					
Cash assets	8	953,354	3,120,952	931,338	3,099,834
Receivables	9	75,643	137,830	4,088	2,654
Other	10	1,541	1,387	1,541	1,387
<b>TOTAL CURRENT ASSETS</b>		<b>1,030,538</b>	<b>3,260,169</b>	<b>936,967</b>	<b>3,103,875</b>
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	11	301,591	211,926	77	1,045
Intangible assets	12	-	-	-	-
Other financial assets	13	-	-	3,700,001	3,700,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>301,591</b>	<b>211,926</b>	<b>3,700,078</b>	<b>3,701,045</b>
<b>TOTAL ASSETS</b>		<b>1,332,129</b>	<b>3,472,095</b>	<b>4,637,045</b>	<b>6,804,920</b>
<b>CURRENT LIABILITIES</b>					
Payables	14	241,703	411,752	117,745	172,993
Provisions	15	57,826	50,131	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>299,529</b>	<b>461,883</b>	<b>117,745</b>	<b>172,993</b>
<b>TOTAL LIABILITIES</b>		<b>299,529</b>	<b>461,883</b>	<b>117,745</b>	<b>172,993</b>
<b>NET ASSETS</b>		<b>1,032,600</b>	<b>3,010,212</b>	<b>4,519,300</b>	<b>6,631,927</b>
<b>EQUITY</b>					
Contributed equity	16	21,536,237	21,535,867	42,274,456	42,274,086
Accumulated losses		(20,503,637)	(18,525,655)	(37,755,156)	(35,642,159)
<b>TOTAL EQUITY</b>		<b>1,032,600</b>	<b>3,010,212</b>	<b>4,519,300</b>	<b>6,631,927</b>

# CASH FLOW

	Note	Economic Entity		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>Cash Flows from Operating Activities:</b>					
Receipts from customers and government grants		734,141	1,131,446	-	-
Payments to suppliers and employees		(2,796,997)	(2,666,345)	(704,425)	(734,548)
Borrowing costs		(568)	(4,421)	(367)	(4,234)
Interest received		127,304	86,167	120,560	64,808
<b>Net cash used in operating activities</b>	17 (i)	<b>(1,936,120)</b>	<b>(1,453,153)</b>	<b>(584,232)</b>	<b>(673,974)</b>
<b>Cash Flows From Investing Activities:</b>					
Payment for property, plant and equipment		(196,112)	85,000	-	-
Advances to controlled entity		-	(2,541)	(1,548,898)	(480,439)
<b>Net cash provided by investing activities</b>		<b>(196,112)</b>	<b>82,459</b>	<b>(1,548,898)</b>	<b>(480,439)</b>
<b>Cash Flows From Financing Activities:</b>					
Proceeds from share issues		-	3,725,166	-	3,725,166
Capital raising costs		-	-	-	(441,761)
Proceeds from issue of convertible notes		-	(441,761)	-	-
Converting note distributions		(35,366)	(72,882)	(35,366)	(72,882)
<b>Net cash provided by (used in) financing activities</b>		<b>(35,366)</b>	<b>3,210,523</b>	<b>(35,366)</b>	<b>3,210,523</b>
Net increase (decrease) in cash held		(2,167,598)	1,839,829	(2,168,496)	2,056,110
Cash at start of year		3,120,952	1,281,123	3,099,834	1,043,724
<b>Cash at end of year</b>	8	<b>953,354</b>	<b>3,120,952</b>	<b>931,338</b>	<b>3,099,834</b>

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# FORMAL RESOLUTIONS



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# RESOLUTIONS

- Resolution 1 – Adoption of Director’s Remuneration Report
- Resolution 2 – Re-Election of Director, Mr Richard Martin
- Resolution 3 – Re -Election of Director, Dr Geoffrey Cumming
- Resolution 4 – Re -Election of Director, Mr James Henderson
- Resolution 5 – Issue of Options to Dr Geoffrey Cumming
- Resolution 6 – Issue of Options to Transocean Securities

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# RESOLUTIONS

	Resolution	For	Against	Open	Abstain
1	Adoption of Remuneration Report	73,953,907	43,870	1,499,773	24,000
2	Re-election of Mr Richard Martin as a Director	75,206,577	12,200	302,773	-
3	Re-election of Dr Geoffrey Cumming as a Director	73,982,925	38,852	1,499,773	-
4	Re-election of Mr James Henderson as a Director	36,267,350	12,200	39,242,000	-
5	Issue of Options to Dr Geoffrey Cumming	73,962,757	57,020	1,499,773	2,000
6	Issue of Options to Transocean Securities Pty Ltd	36,205,030	72,520	1,499,773	39,742,227

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# OTHER BUSINESS AND QUESTION TIME



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# **ANTEO DIAGNOSTICS LTD (ASX:ADO)**

**Better Diagnostics - Faster**

**CEO ADDRESS – 2009 AGM  
23<sup>rd</sup> November 2009**



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# Current Status

- ADO initial product, Mix&Go™, has numerous competitive advantages over current practices
- Mix&Go™ **ready for sale – no further development work required**
- Mix&Go™ markets include Pathology Suppliers, Bead Manufacturers and Research Organisations – globally these represent multi-billion dollar markets

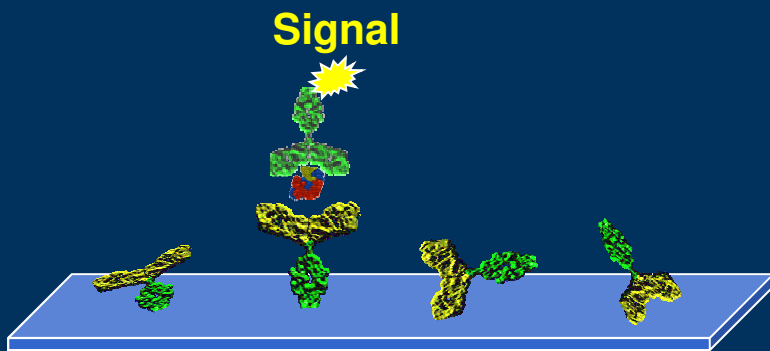
# Current Status

- ADO is engaged in discussions or negotiations with major market participants across all segments
- Highly skilled team and facilities in place

# Mix&Go™ Technology

In immunoassays (a dominant test in pathology),

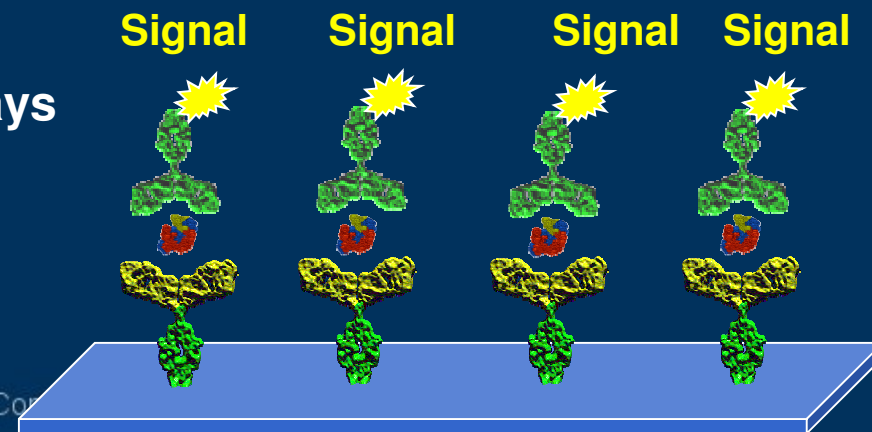
- Proteins (used to detect disease markers) are bound to synthetic surfaces.
- Depending on the surface, proteins are damaged leading to decreased performance.



*Mix&Go™ has been developed to capture and orient proteins to maintain their functional state on the surface of synthetic materials.*

This results in faster development and improved performance of immunoassays

The technology has been proven by several market participants



# Mix&Go™ Markets

## Mix&Go™

### Pathology Suppliers

### Pathology Laboratories

Buys Mix&Go™ from ADO. Pathology suppliers coat beads of their choice with Mix&Go™ and sell tests to pathology laboratories and research organisations

### Bead Manufacturers

Buys Mix&Go™ from ADO, coat own products and sell beads coated with Mix&Go™ to pathology suppliers and research organisations

### Research Organisations

ADO coats beads with Mix&Go™ and sells to Research Organisations OR Research Organisations buy coated beads direct from bead manufacturers

### Point of Care

Point of care testing devices incorporate strips coated with Mix&Go™ and used for bedside, doctors office or at home testing

## Mix&Go™ Markets

# – Pathology Suppliers

- Addressable market size ~ \$6 B in laboratory based immunoassay tests per annum
- Major participants – Roche, Siemens, Abbott, Ortho, Beckman, BD, bioMerieux, DiaSorin
- Interest in Mix&Go™ from pathology suppliers for:
  - high volume tests – lowers cost of goods
  - “difficult” tests – increases sensitivity
  - new tests – lowers cost of goods and increases sensitivity
- Brand leadership
  - most sensitive test available = best in class

## Mix&Go™ Markets

# – Bead Manufacturers

- Supply Pathology Suppliers and Research Organisations
- Major bead suppliers to pathology market – Merck, Dynal, Seradyn, Bangs
- Interest in Mix&Go™ from bead manufacturers as:
  - easier to produce
  - less variability
  - greater stability
- Results in significant gross margin improvement as a result of:
  - Increased sales prices
  - Increased sales
  - Decreased cost of manufacture

## Mix&Go™ Markets

# – Research Organisations

- No regulatory barriers
- Major bead suppliers to research organisations - Dynal, Seradyn, Bangs, Ademtech, Miltenyi, Luminex, Chemagen
- More “user friendly” product
- Generally willing to pay higher prices, but lower volumes

# Mix&Go™ Markets

## – Point of Care

- Variety of tests including:
  - Strep B
  - Urinary tract infections,
  - TB
  - Cardiac monitoring
  - Blood coagulation
  - LDL cholesterol
- Major suppliers Pall Corporation, Whatman (GE), Millipore
- High volume products  
Total market > \$5B per annum

# Mix&Go™ Markets

## – Business Models

### PATHOLOGY SUPPLIERS

Upfront payment  
Supply of Mix&Go for feasibility trials  
Research and collaboration revenues  
Royalty on resultant sales (1%-3%)

### BEAD MANUFACTURERS

Upfront payment  
Supply of Mix&Go reagent  
Research and collaboration revenues  
Royalty (10-20%)

### RESEARCH ORGANISATIONS

Supply of Mix&Go for research and collaboration  
Royalty (10--20%)

### POINT OF CARE

Upfront payment  
Research and collaboration revenues  
Royalty on resultant sales (1%-3%)

Potential Annual Royalty Revenue Size (+5 year time horizon to achieve this)

\$60M - \$180M

\$5M - \$10M

\$25M - \$50M

\$50M - \$150M

# Mix&Go™ Market Engagement

Market	Signed MTA	Signed NDA
Pathology Suppliers	4	6 of top 10
Bead Manufacturers	All major bead manufactures	
Research Organisations	Accessed through other segments	Accessed through other segments
Point of care		2 of 3 major suppliers

MTA = Materials Transfer Agreement – this is essentially the sharing of the technology to support the claims of Mix&Go™ and requires the other party to devote resources to the project

NDA = Non-disclosure Agreement – essentially confirming dialogue between parties

# Other Mix&Go™ Applications

- Other (non-human) diagnostic markets – including veterinary and agriculture
- Other diagnostic platforms – including biosensors and biochips
- In Bioseparations – for example, antibody and streptavidin beads are used in research and in purification of therapeutic products
- In Drug Delivery – For example ADO methods can cross-link synthetic and biological polymers/gels with controlled degradation
- In Biomimetic materials and Tissue Engineering - for example blood handling products, stem cell culture (growth and differentiation)