

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

**Embracing the changing global diagnostic market**

**November 2008**

# WHAT IS ANTEO'S BUSINESS?

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Anteo has proprietary technologies and capabilities to rapidly develop research and diagnostic assays – faster, cheaper, smaller.

We convert novel biomarkers into clinical tools that predict, diagnose and track diseases and monitor therapeutic effect.

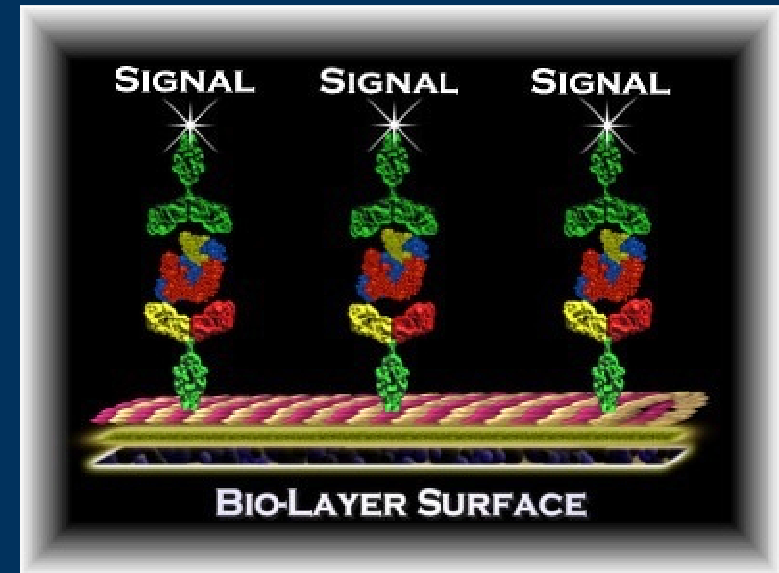
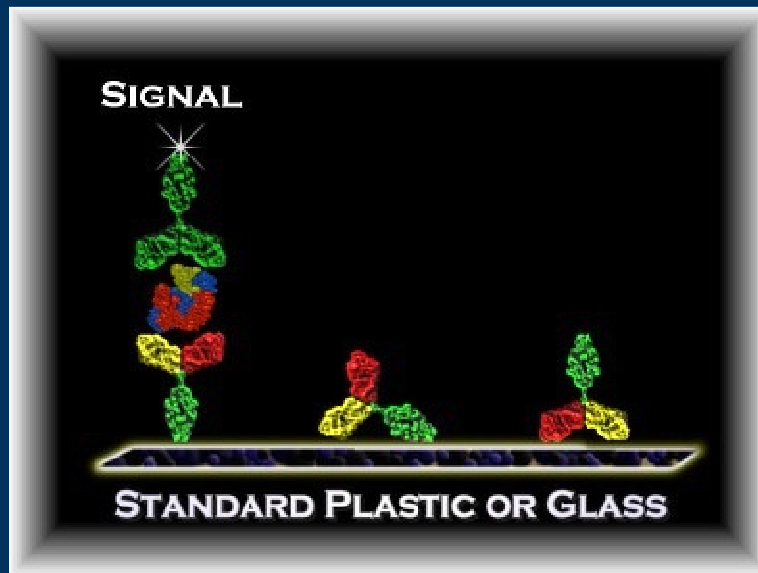
- ❑ First target is a test for Parkinson's Disease with Prince of Wales Medical Research Institute.

In the process, we generate data for the rapidly evolving and high value human healthcare information business.

- ❑ Driving active M&A in the diagnostic sector.

# UNDERPINNING TECHNOLOGY

Anteo creates unique surface coatings that capture and orient proteins to optimize biological testing.



## Standard Products

- × Poor Reproducibility
- × Poor Dynamic Range
- × Low Signal-to-Noise
- × No Translation



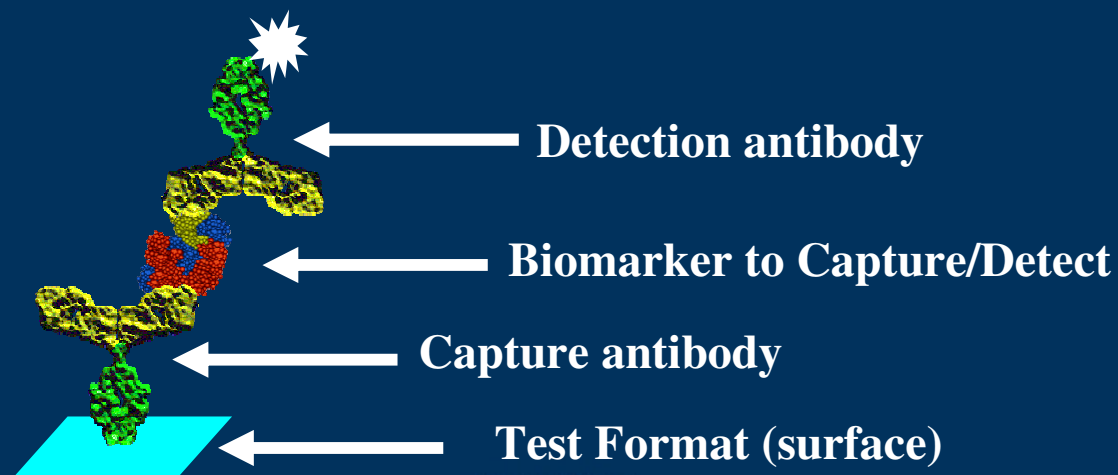
## Anteo Products

- ✓ Excellent Reproducibility
- ✓ More Robust Assays
- ✓ Improved Signal-to-Noise
- ✓ Translation (High Content)

# ANTIBODIES AND IMMUNOASSAYS

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- ❑ Antibodies are by far the most commonly used proteins in Drug Discovery and Diagnostics
  - ❑ Produced by the immune system and specifically binds other molecules (eg, biomarker/antigen)
- ❑ Immunoassay, the dominant class of tests in diagnostics
  - ❑ Use of antibodies in a test requires immobilisation to some surface of a test format



# IMMUNOASSAY MARKET

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**The global diagnostic business is rapidly changing.**

- ❑ Greater emphasis on personalised information.
- ❑ New distribution methods such as Point of Care (PoC) products and use of mobile phones and internet to direct information.
- ❑ Emphasis on knowing you have a disease before it becomes debilitating (prognostic) and self-care diagnostic products.

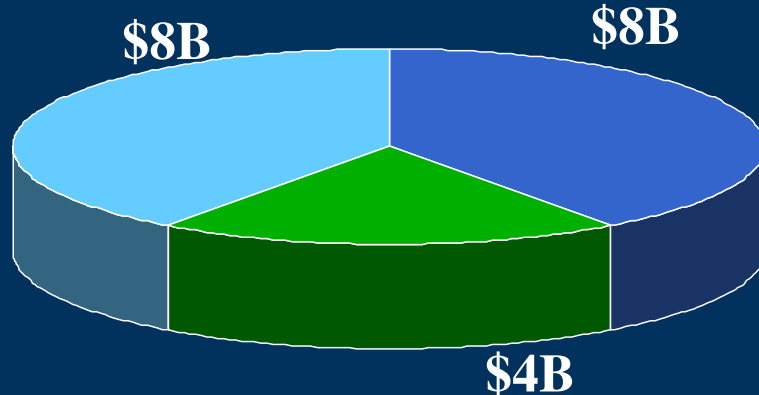
*High value health care information to enable better treatment and lifestyle management decisions now driving global M&A.*

# IMMUNOASSAY MARKET (cont'd)

The immunoassay segment (tests for women's health, infectious diseases, cardiac diseases, cancer, amongst others) of the global diagnostic market was worth US\$20 billion in 2007 and expected to be worth \$23 billion by 2010\*

**Central Lab  
based**

**Point of Care (PoC)  
Consumer & OTC**



**Point of Care (PoC)  
Professional & Hospital**

# THE OPPORTUNITY FOR ANTEO

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**To deliver valuable quantitative and high quality diagnostic tests faster and cheaper.**

- Converting “markers” that can identify some disease into products and get to market faster.
- Creating and selling high value diagnostic information and tests.

ADO's Intellectual Property and capability can be applied to all three segments of the immunoassay market comprising diagnostic tests valued at **US\$12 billion** in 2007\*.

# LEAD PROGRAM - Parkinson's Disease (PD)

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*A “marker” for PD, >7 years before motor disorder is apparent.*

## Market:

- In US, >500,000 patients with disease (40% under 60 yrs), eg, Michael J Fox, Muhammad Ali.
- Total costs at US\$10.8 billion/annum\*. Costs 40% higher than prostate or breast cancer.

## Current Clinical Diagnosis of Parkinson's Disease:

- Approx 30% of initial diagnoses by neurologists are incorrect
- Hereditary Parkinsonism is rare (<10%); genetic testing predicts risk, not onset of disease.
- There is an un-met need for preclinical diagnosis
  - Patients to enable better self-care
  - Prescribers to manage patients
  - Insurers to evaluate disease/healthcare impact
  - Big pharma to add value to new therapeutics

# BUSINESS MODEL: converting “markers” to products

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*To be recognised as the partner of choice and one- stop shop for commercialisation of novel diagnostic opportunities.*

## Criteria for Selection:

- A High Value Opportunity, eg, for Parkinson’s Disease, a pre-clinical diagnostic test is worth >\$500 million per annum.
- Strong Intellectual Property Position, eg, for Parkinson’s Disease, we have 2 different patents protecting this diagnostic test.
- Compatibility with internal capability to rapidly develop diagnostic tests.
- Multi-level commercialisation opportunities

# THE OPPORTUNITY FOR ADO (cont'd)

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**To deliver assay components, ie, surface coatings that improve sensitivity (detecting disease earlier), shelf life and ease of use.**

- Product sales or Licensing/Royalty income
- Genomics and proteomics revolution driving demand
- Consumables market estimated to be worth \$6 billion/annum.

## **Current Status of Component Business.**

- Intellectual Property position on three (3) different surface coating systems that improve protein orientation.
- Successfully concluded research collaboration with a major reagent manufacturer. Demonstrated 10 fold sensitivity and stability.
- Demonstrated improved sensitivity (av. 10 fold) on products belonging to two other reagent manufacturers.

# SCALING THE BUSINESS

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**Core competencies in developing underpinning technology (IP creation, in immunoassays on different platforms, and commercialisation) creates value in multiple ways:**

- **Revenue from sale of proprietary assays and assay data.**
  - Target 1: Parkinson's Disease Diagnostic Test.
    - Conservatively estimated at \$500 million sales per annum.
    - Assuming licensing agreement with large diagnostic player, >50% market penetration and royalties of 10 to 15%, revenues of \$25 million to \$37.5 million is possible.
    - Above revenues do not include upfront licensing fees, collaborative R&D payments, etc.
  - Target 2, 3, etc: Anteo has the infrastructure, relations and capability to identify and develop early stage “markers” in Australian/NZ institutions into products.

# ANTEO TEAM

<b>N. Joe Maeji, PhD</b> <b>CEO</b>	Development and commercialisation of high throughput synthesis and assays (Mimotopes Pty Ltd and Chiron Corp)
<b>Nevin Abenethy, PhD</b> <b>Head of PD &amp; Research</b>	Bioassay development, vaccines and immunotherapeutic (Genesis R&D Corp, LCT and AgResearch Ltd)
<b>Warren Diaz, B.Sc</b> <b>Head of Quality &amp; Strategic Planning</b>	Quality, Project and Portfolio Management from R&D and GMP manufacturing facilities (SmithKline Beecham and Progen Pharmaceuticals)
<b>Herbert Chow, PhD</b> <b>Business Development</b>	Cancer, haematological, immunological and cardiovascular diseases (Abbott Diagnostics and J&J)

**Plus 9 other qualified scientists in chemistry, biology and immunology.**  
**In fully equipped Laboratories: 1,023 m<sup>2</sup> at Brisbane Technology Park**



# ANTEO BOARD

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<b>Bruce Rathie</b> B.Com, LLB, MBA, Grad Dip SP, FAICD, FAIM <b>(Chairman)</b>	Law, finance, capital markets experience, particularly equity capital markets.
<b>Robert Gilmour</b> , PhD <b>(Recent Appointee)</b>	Biochemistry, medicine, and medical devices in the US and global markets. Principal and Investor in US based device businesses
<b>Richard Martin</b> BBus, CA	Finance, business structures and functions attained from over 20 years in public practice as a Chartered Accountant.
<b>Lara Iacusso</b> B.Bus, CA, F.FINSIA <b>(Recent Appointee)</b>	Investment banking and corporate finance services. Focuses on corporate transactions, strategies and commercial negotiations.

BLS has been re-energised through new major shareholder Transocean Securities and a commercially focussed Board

# MARKET INFORMATION

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## □ Capital Structure:

- Shares 180m
- 6.5c options 82m
- 5.5c options 14m
- Employee Options

## □ Substantial Shareholders:

- Transocean Securities 34%\*
- CM Capital 30%
- RAB Special Sits 20%
- Asia Union Investments 11%

\*- inc RAB interest

□ Market capitalisation A\$3.1m

## □ Financial position

- AUD \$2.5 million as of Oct 24, 2008
- Runway without any income at approx 12 mths.

# VALUE PROPOSITION

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- ❑ Primary business model: revenue from sale of proprietary assays and assay data
  - ❑ Focus on detection of early-stage diseases, eg. neurodegenerative disorders, cancer, bone growth
  - ❑ For disease state and lifestyle management
- ❑ Secondary business model: revenue from sale of assay components
  - ❑ Component products for improved immunoassays.
- ❑ Focus on generating IP on assays and assay data for global M&A (Exit).
  - ❑ Diagnostic market is consolidating with acquisitions in 2007 of revenue multiples averaging 10x and as much as 25x.

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# IMPORTANT NOTICE

The purpose of this Presentation is to provide general information about Anteo Diagnostics Limited (ADO). It is not a recommendation that any person makes any investment decision in relation to Anteo. This Presentation does not contain all information which would be material to the making of a decision in relation an investment in Anteo. Any shareholder or prospective shareholder should make its own assessment and determination based on all available prior to making any investment decision, and should not rely on the information in this Presentation for that purpose.

Further information about Anteo and its business and operations is contained in its annual reports and other reports which can be accessed on its websites at [www.anteodx.com](http://www.anteodx.com). Anteo does not undertake any obligation to revise the information in this Presentation to reflect any future events or circumstances.

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# VALUATION = MULTIPLES OF REVENUE

There is an active market to acquire companies with technologies/capabilities like BLS. Recent examples show minimum revenue multiples of 3x and up to 25x

							Purchase Price Multiples	
Date	Acquired Company	Profile	Acquirer	Purchase Price	2006 Sales	2006 EBIT	x Sales	x EBIT
Feb-06	Acon Laboratories Inc.	Diagnostic technologies and therapies for women's health	Inverness Medical Innovations Inc.	175	50.0	17.0	3.5	10.3
Jun-07	BioSite Inc.**	Manufactures Triage drugs of abuse tests	Inverness Medical Innovations Inc.	1,690	308.6	40.0	5.5	42.3
Apr-07	BioVeris Corp.	Biosecurity technologies in diagnostics and vaccines	Roche Diagnostics	600	24.1	-30.5	24.9	n/a
Jun-07	Cholestech Corp.	Cholesterol and other diagnostic tests	Inverness Medical Innovations Inc.	326	18.0	3.6	18.1	90.5
May-07	CYTYC Corp.	Diagnostic and medical devices for cancer and women's health	Hologic Inc.	6,200	608.3	222.2	10.2	27.9
Jun-07	Digene Corp.	Molecular diagnostics HPV test - linked to cervical cancer	Qiagen	1,600	152.9	20.0	10.5	79.9
Jul-07	Ventana Medical Systems Inc.	Diagnostic technologies and therapies for women's health	Roche Holding AG	3,000	238.2	47.6	12.6	63.1
Aug-07	Matritech	Diagnostic products for the early detection of cancer	Inverness Medical Innovations Inc.	36.0	12.2	-8.0	3.0	n/a
Nov-07	Alere Medical	specialized disease management services	Inverness Medical Innovations Inc.	302.0	77.0	n/a	3.9	n/a
Nov-07	HemoSense Inc.	handheld blood-coagulation systems for monitoring patients	Inverness Medical Innovations Inc.	212.1	16.3	-10.3	13.0	n/a

\*\* EBIT statistics unavailable so have used net profit after tax