



# ASX Announcement

24 May 2021



## EuGeni Test Strip Manufacturing Strategy

### Highlights

- ❖ AnteoTech to procure test strip manufacturing line for Brisbane facility as part of a decentralised and diversified global manufacturing approach.
- ❖ Brisbane manufacturing expected to provide an additional 12 million test strips per annum production capacity – with in-house production to commence in early 2022.
- ❖ Brisbane in-house manufacturing to increase speed to market and enhance supply chain control.
- ❖ Brisbane manufacturing facility to circumvent long lead time in technology transfer to a new facility which has previously taken up to 8 months.
- ❖ Total test strip production capability now forecast at 32 million per annum.

AnteoTech Ltd (ASX: ADO) ("AnteoTech" or "the Company") is pleased to provide an overview of the 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 manufacturing strategy considers two distinct elements of the production of the EuGeni tests:

- 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 liquid into ready to use buffer bottles.

AnteoTech plans to commence in-house manufacturing in Brisbane to enable the production capability of an additional 12 million test strips per annum, with only in-house technology transfer required. The Company will be able to bring new tests to market quickly, more cost effectively and provide additional manufacturing to meet the demand for the EuGeni suite of tests.

Several objectives have been taken into consideration to define this manufacturing strategy, including:

- Circumventing the long lead time for AnteoTech to undertake technical transfer to a third party for scale-up of lateral flow strip manufacture. For example, the time to complete the technical transfer to Operon for the COVID-19 ART was 8 months.
- Improving efficiency of cassette assembly and packaging which is a time, capital and labour-intensive process that has a number of rate-limiting steps including pre-filling of buffer bottles. The process requires ISO 13485 based technical transfer but is less complex and takes less time than the technology transfer for the lateral flow strip production.
- Mitigating contract supply risk - Lateral flow strips can be produced in-house efficiently and in high volume on a reel-to-reel machine. These rolls can then be cut into cards and easily transported globally.

### **Decentralised Global Manufacturing Approach**

AnteoTech has developed a decentralised approach to its lateral flow rapid test manufacturing strategy, which has a number of key benefits:

- 1) Increased speed to market by focusing lateral flow strip manufacture on 1 or 2 sites initially.

This approach will decrease the time required for technical transfer to a third party for new tests and will leverage mass production capability at each site to produce a volume of lateral flow strips to meet demand at any point in the future. The first lateral flow strip manufacture site is the recently announced contracted capacity with Operon (refer ASX announcement: 17 May 2021).

The second site for this element of the strategy will be our own facility to be set up at Eight Mile Plains in Brisbane. With no lengthy technology transfer required, AnteoTech will be able to bring new tests to the market quickly, or support Operon with additional manufacturing should demand exceed their ability to supply.

The successful close of the Share Purchase Plan (SPP) (refer ASX announcement: 20 March 2021) and funds raised through the recent placement will allow AnteoTech to bring forward the now fully funded procurement, installation, and validation of a lateral flow strip production capability. This facility will include a reel-to-reel dispensing platform, reel-to-card/reel laminator and high-throughput strip cutter, all located in Brisbane.

The investment will also provide an opportunity for different EuGeni tests to be produced, in different locations, concurrently. In addition, the infrastructure will provide an opportunity to undertake contract services for the development and manufacturing of high-value tests for 3<sup>rd</sup> parties, underpinning an element of our lateral flow services capability.

The lead time for the procurement of this equipment is estimated to be ~6-7 months. AnteoTech expects to commence in-house strip manufacturing in late 2021/early 2022. Concurrently, AnteoTech will be fitting out and validating a new facility to house the strip production line. Several options near to AnteoTech's current offices in Brisbane have been identified.

Further lateral flow strip production capability will be introduced as demand increases over time and the locations for these additional machines will be decided based on market need.

- 2) Decreased production costs by implementing multiple cassette assembly and packaging facilities close to the markets they serve.

Lateral flow test strips 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, Mid-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.

Our chosen cassette assembly and packaging partner for the European market is Operon. Operon's capacity will grow over the next 2 years. In the short term, Operon will provide cassette assembly and packaging capability for all markets.

We will look to bring new assembly and packaging capability online very quickly to supplement Operon's capability.

AnteoTech is also progressing discussions with Axxin to increase production of the EuGeni reader and is also reviewing other reader options to enable rapid testing for different market segments. Discussions with potential partners have begun, and the Company expects to provide additional updates in the near term.

**AnteoTech CEO Derek Thomson commented:** *“Our manufacturing strategy will enable AnteoTech to produce tests inexpensively and efficiently. Implementation of lateral flow test strip manufacture in-house will enable us to produce new products and get them into the market without lengthy technical transfer processes to third parties. This will increase our speed to market and ensure quality. Our current lateral flow test strip capacity from Operon is 20 million lateral flow strips per year. Our initial investment in Brisbane will increase that capacity by an estimated 12 million lateral flow strips per year. We will increase this capability as required as EuGeni test demand across the entire range of tests we produce grows.”*

*“We are also excited about the prospect of leveraging new cassette assembly and packaging capability around the globe. We are moving swiftly to harness this opportunity to align with the expected increase in demand for EuGeni tests in the future.”*



### **EuGeni SARS-CoV-2 Antigen Rapid Diagnostic Test**

**The kit contains 25 test cassettes in foil pouches, swabs and pre-filled lysis buffer dropper bottles.**

This announcement has been authorised for release by the Board.

**For more information, please contact:**

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**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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