ASX ANNOUNCEMENT

22 April 2021

QUARTERLY ACTIVITY REPORT FOR THE PERIOD TO 31 MARCH 2021

Anteris Technologies Ltd (ASX: AVR) (Anteris or "the Company") releases its Appendix 4C – Quarterly Cash Flow report and commentary for the quarter ended 31 March 2021 (Q1, 2021).

Highlights

- Major progress made towards planned US TAVR clinical study for later this year.
- The Company's anti-calcification study showed the superior performance of Anteris' ADAPT® treated tissue compared with tissues used in competitor valves.
- First-in-human SAVR (Surgical Aortic Valve Replacement) trial continues to progress despite the ongoing COVID-19 pandemic in Europe.
- FDA Early Feasibility Study pre-submission meeting.
- Full catheter delivery system tests and simulations completed (successful deployment of steerable balloon catheter).
- A $20m funding package established with Mercer Street Global Opportunity Fund, LLC (Mercer), realising an initial $2.5M with a further $4.05M realised (pre-transaction costs) early in Q2 2021.
- $1.6M of revenue, primarily derived by manufacturing for LeMaitre Vascular, Inc.

COMMENTARY ON THE QUARTER

During the quarter, Anteris made major progress towards its planned US submission and approval of the clinical study scheduled for later this year. Continued success in its clinical and pre-clinical studies as well as growing KOL enthusiasm for its prosthetic aortic valve replacement solutions underpins the Company's ambitious development program.

Anteris reported positive results from its anti-calcification study, where its ADAPT® treated tissue showed superior anti-calcification attributes compared with tissues used in competitor valves. Based on these results, the Company plans a further study comparing the ADAPT® tissue with both Medtronic's AOA™ and Edwards Life Science's Resilia®. Resilia® is Edwards' next generation tissue treatment for its valves. The consequent head-to-head study is expected to commence later this year.

Also, the quarter saw significant progress with AVR's ComASUR™ catheter delivery system, with working prototypes successfully deployed in multiple tests. The Company works closely with its Medical Advisory Board members on ComASUR™, its proprietary TAVR delivery system. The physician designed delivery system brings multiple features not available in the market, such as, commissural alignment (the ability to align the replacement valve in the same position as the original valve further reducing valve degradation and improving haemodynamic function).

Anteris has several key studies underway or scheduled, including a human TAVR study being negotiated with the FDA. Data collected from bench, pre-clinical and clinical studies provide essential insights for subsequent studies and are highly valuable as Anteris advances its TAVR development program and continues discussions with strategic partners.

CASH RECEIPTS AND CASHFLOW

The closing cash balance as at 31 March 2021 was $1.6M, down $2.8m from 31 December 2020, and included:

- Net operating cash outflows of $4.3M, including staff costs of $3.3M, administration and corporate costs of $1.2M, product manufacturing and operating costs of $0.4M and research and development investment of $0.9M. This was partly offset by customer receipts of $1.7M;
- Investing cash outflows of $0.4M relating to deferred settlement on acquisition of Regen IP; and
- Financing cash inflow of $2.0M, relating to proceeds from issue of convertible notes ($1.5M) and new securities issue ($1.0M) partly offset by transaction costs of $0.4M.

CORPORATE ACTIVITY

On 4 January 2021, Anteris announced entering into a short-term facility for a $1.22M research and development advance against its forecast Australian Government R&D Tax Incentive offset for most of calendar 2020. The funds are used to further research and development activities, including the DurAVR™ valve.

A funding package of up to $20M was established with Mercer including a $1M placement of new shares and $2.5M of convertible notes, plus $16.5M in a discretionary drawdown facility subject to certain terms and conditions. The $1M placement and $1.5M of convertible notes were drawn down during the quarter.

After the quarter end, Anteris closed the second tranche of the Mercer facility, raising $1.0M before costs. A further $3.05M was raised from Mercer by a new $2.5M in convertible notes and a $550K in new shares under the $16.5M discretionary drawdown. The funding provides additional working capital as Anteris advances development of the DurAVR™ valve.

Anteris continues to engage in business development opportunities and discussions with regulatory bodies and potential strategic partners.

IN SUMMARY

"We have had an exceptional quarter with rapid progress in our studies, bench tests and product development. The Company continues to deliver on all of its stated objectives including completing the restructure into a singularly focussed and credible contender in the global TAVR market. We have done this by setting and achieving challenging development milestones on clinical and pre-clinical results. We are moving at a pace unprecedented in our sector and are, by any measure, several years ahead of schedule as we head towards our human TAVR study.

"The next 12-18 months will be enormously exciting as we work towards satisfying all criteria demonstrating the superiority of DurAVR™ against the current competitors, thus, delivering physicians, patients and healthcare systems a life-saving product," Anteris Chief Executive Officer Mr Wayne Paterson said.

ENDS

About Anteris Technologies Ltd (ASX: AVR)

Anteris Technologies Ltd is a structural heart company delivering clinically superior and durable solutions through better science and better design. Its focus is on developing next generation technologies that help healthcare professionals create life-changing outcomes for patients.

The Anteris DurAVR™ aortic replacement valve addresses the acute need in terms of superior hemodynamic profile as well as chronic needs in its ability to sustain that profile longer over the lifetime of the patient.

The proven benefits of its ADAPT® tissue technology, paired with DurAVR™'s unique 3D single-piece aortic valve design, has the potential to deliver a functional cure to aortic stenosis patients and provide a much-needed solution to the challenges facing heart surgeons today.

Authorisation and Additional information

This announcement was authorised by the Board of Directors.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Anteris Technologies Ltd	

ABN	Quarter ended ("current quarter")
35 088 221 078	31 March 2021

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	1,746	1,746
1.2	Payments for		
	(a) research and development	(890)	(890)
	(b) product manufacturing and operating costs	(440)	(440)
	(c) advertising and marketing	(93)	(93)
	(d) leased assets	-	-
	(e) staff costs	(3,334)	(3,334)
	(f) administration and corporate costs	(1,213)	(1,213)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(69)	(69)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other	-	-
1.9	**Net cash from / (used in) operating activities**	**(4,293)**	**(4,293)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(26)	(26)
	(d) investments	(400)	(400)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(e) intellectual property	-	
	(f) other non-current assets	-	
2.2	Proceeds from disposal of:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	-	-
	(j) investments	-	-
	(k) intellectual property	-	-
	(l) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	**Net cash from / (used in) investing activities**	**(426)**	**(426)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,001	1,001
3.2	Proceeds from issue of convertible debt securities	1,500	1,500
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(396)	(396)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(95)	(95)
3.10	**Net cash from / (used in) financing activities**	**2,010**	**2,010**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,354	4,354
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,293)	(4,293)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(426)	(426)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,010	2,010
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
4.6	**Cash and cash equivalents at end of period**	**1,643**	**1,643**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	1,555	4,243
5.2	Call deposits	88	111
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,643**	**4,354**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	
	-director fees and CEO remuneration	311
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities	2,663	2,663
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	1,706	1,706
7.4	**Total financing facilities**	4,369	4,369

7.5	**Unused financing facilities available at quarter end**	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

- Loan facility of $1.44M from Sio Capital, capitalised interest at 12% per annum, maturing 15 December 2021. $1M is secured against the assets of Anteris Technologies Ltd, excluding the research and development refund from the ATO.
- Short-term facility of $1.22M from Mitchell Asset Management Pty Ltd, interest rate of 1.15% per month, maturing 31 May 2021. This loan is primarily secured against the research & development refund due in 2021.
- Other consists of (a) convertible notes to Mercer of $1.62M -This entitles Mercer the right to convert the note into fully paid ordinary shares at 90% of the average five day VWAP immediately prior to conversion; (b) ANZ financial guarantee $86k at an interest rate of 2.5%, maturing 30 June 2021.

All amounts shown on a gross basis (prior to transaction costs).

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,293)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,643
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,643
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	0.4

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

- The Company intends to continue to invest in, research and develop its ADAPT® technology and product development pipeline including its 3D single-piece DurAVR™, aortic valve. It is anticipated this work program will continue to result in a net cash outflow from operating activities.
- During the quarter, the Company announced a funding package with Mercer on 6 January 2021 of up to $20m including a $1m placement of new shares, $2.5m of convertible notes plus $16.5m in a discretionary drawdown facility for Mercer to invest in new shares subject to certain terms and conditions. The $1m placement and $1.5m of convertible notes were drawn down during the quarter.
- As per its ASX announcement of 12 April 2021, post quarter-end the Company received from Mercer a further $1M under the Second Tranche of convertible notes, $2.5M from the issue of the Third Tranche of convertible notes and a $0.55M from the issue of new shares to Mercer. This share issue was a drawdown against the total $16.5M discretionary drawdown facility.
- The Company continues to work with its advisers on its capital requirements and future capital transactions.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

- Refer to 8.6.1

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

- The Company expects it will be able to continue its operations and to meet its business objectives after considering the following:
  - Significant milestones achievements in developing its ADAPT® technology and product pipeline including DurAVR™, Anteris' 3D single-piece Aortic Valve. This has been demonstrated through scientific testing and associated findings including human and animal trials, patient outcomes and the sale of commercial products produced utilising the ADAPT® technology.
  - Anteris saw significant progress with AVR's ComASUR™ catheter delivery system, with working prototypes successfully deployed in multiple tests.
  - The company continues the development of new products utilising the ADAPT® technology which remain on-track for commercialisation opportunities.
  - On this basis, the Company considers the recapitalisation plan and business objectives will be successful.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 22 April 2021

Authorised by: .....
Wayne Paterson
Chief Executive Officer

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.