

ASX ANNOUNCEMENT

25 July 2022

QUARTERLY ACTIVITY REPORT FOR THE PERIOD TO 30 JUNE 2022

Brisbane, Australia and Minneapolis, USA. Anteris Technologies Ltd (ASX: AVR) (Anteris or the Company) releases its Appendix 4C – Quarterly Cash Flow report for the quarter ended 30 June 2022 (Q2, 2022).

Highlights

- DurAVR™ first-in-human six-month study follow-up showed superior results with an 86% mean improvement in haemodynamics.
- Successful completion of second cohort in its first-in-human study with eight more patients implanted.
- Research partnership with Yale University and Yale Cardiovascular Research Group (YCRG) studying product design impacts on haemodynamic function post transcatheter aortic valve replacement.
- Expansion of the Australian Medical Advisory Board with the appointment of Associate Professor Dion Stub bringing significant TAVI experience.
- AVR Share price increased from \$17.00 to \$28.80 by 30 June 2022 representing a \$11.80 or 69% increase for the quarter.
- Market capitalization increased from \$231m to \$398M representing a \$167M or 72% increase.
- Cash at quarter end was \$33.1M.

COMMENTARY ON THE QUARTER

Anteris provided an informal update to the market in June regarding its DurAVR™ first-in-human patient study. This was a six-month follow-up of the five patients initially implanted in November 2021 at the Tbilisi Heart and Vascular Clinic, Tbilisi, Georgia.

Anteris reported all 5 patients were doing very well and showed clinically significant improvement since the three-month follow-up. Exceptional haemodynamics were observed in all patients with an 86% reduction in peak mean gradient since baseline and 6% since the three-month follow-up.

The six-minute walk test, a key marker of patient well-being, improved 46% since baseline and a further 21% improvement between three and six months, demonstrating how much more active and fit these patients were able to become.

Anteris Technologies Ltd Registered Office:

Toowong Tower, Suite 302, Level 3, 9 Sherwood Rd, Toowong, Queensland, 4066

Customer Service

T +61 1300 550 310 | F +61 1300 972 437 | E info.au@anteristech.com | W anteristech.com

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The Company extended its DurAVR™ first-in-human study during the quarter, with a second cohort of eight patients. The 8 patients were successfully treated in May at the Tbilisi Heart and Vascular Clinic, Tbilisi, Georgia. Anteris' Chief Medical Officer, Dr Chris Meduri oversees the 13-patient study concluding with the 12-month follow-up of all patients.

During the quarter, Anteris entered a research partnership with Yale University and YCRG led by Dr. Alexander Lansky MD, Director YCRG and Professor of Medicine at Yale University.

The partnership is focused on product design and the various ways and mechanisms haemodynamic function is impacted post transcatheter aortic valve replacement in patients with severe aortic stenosis.

CASH RECEIPTS AND CASHFLOW

The closing cash balance as at 30 June 2022 was \$33.1M, down \$9.0M from 31 March 2022 and consisted of:

- Net operating cash outflows of \$10.7M incorporating:
 - Research and development of \$3.9M. The Company's research and development program included the preparation and completion of the second cohort in its DurAVR™ first-in-human patient study;
 - Staff costs of \$4.2M. During the quarter, the Company has recruited additional personnel predominately engaged in R & D as we prepare for the Early Feasibility Study in the United States;
 - Administration and corporate costs of \$3.4M incorporating part of our annual insurance payments as well as travel costs for the DurAVR™ testing and trials;
 - Customer receipts of \$1.1M;
- Investing cash outflows of \$0.6M primarily related to IT and laboratory equipment as well as clean-room fit-out costs; and
- Financing cash inflow of \$0.3M predominately related to proceeds from the exercise of options which were converted into ordinary shares offset by transaction costs.

CORPORATE ACTIVITY

As Anteris continues to build clinical validation for its novel DurAVR™ 3D single-piece transcatheter aortic heart valve system, the Company strengthened its Australian Medical Advisory Board appointing Associate Professor Dion Stub MBBS, PhD, FRACP of the Alfred Hospital and Monash University.

Associate Professor Dion Stub specialises in structural heart procedures including aortic valve replacement (TAVI), and balloon valvuloplasty. He has special interests in treating myocardial infarction and cardiac arrest, particularly with interventional methods.

His significant TAVI experience and ongoing contributions will greatly enhance Anteris' commercialisation and market development efforts in Australia.

ENDS

About Anteris Technologies Ltd (ASX: AVR)

Anteris Technologies Ltd is a structural heart company that delivers clinically superior and durable solutions through better science and better design.

Its focus is developing next-generation technologies that help healthcare professionals deliver consistent life-changing outcomes for patients.

Anteris' DurAVR™ 3D single-piece aortic heart valve replacement addresses the needs of today's younger and more active aortic stenosis patients by delivering superior performance and durability through innovations designed to last the remainder of a patient's lifetime.

The proven benefits of its patented ADAPT® tissue technology, paired with the unique design of our DurAVR™ 3D single-piece aortic heart valve, have the potential to deliver a game-changing treatment to aortic stenosis patients worldwide and provide a much-needed solution to the challenges facing doctors today.

Authorisation and Additional information

This announcement was authorised by the Board of Directors.

For more information:

Hannah Howlett
WE Communications
E: WE-AUAnterisTech@we-worldwide.com
P: +61 4 5064 8064
www.anteristech.com
Twitter: @AnterisTech
Facebook: www.facebook.com/AnterisTech
LinkedIn: <https://www.linkedin.com/company/anteristech>

Appendix 4C

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

Name of entity

Anteris Technologies Ltd

ABN

35 088 221 078

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,148	2,185
1.2 Payments for		
(a) research and development	(3,920)	(6,841)
(b) product manufacturing and operating costs	(124)	(460)
(c) advertising and marketing	(106)	(250)
(d) leased assets	-	-
(e) staff costs	(4,228)	(9,462)
(f) administration and corporate costs	(3,455)	(6,055)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	27	29
1.5 Interest and other costs of finance paid	(48)	(83)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	22	22
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(10,684)	(20,915)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(587)	(1,018)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(52)	(52)
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 (maturing term deposit)	-	-
2.6 Net cash from / (used in) investing activities	(639)	(1,070)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	27,600
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	612	7,020
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(159)	(1,445)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
3.9	Other (provide details if material)	(183)	(335)
3.10	Net cash from / (used in) financing activities	270	32,840

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	42,079	21,300
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(10,684)	(20,915)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(639)	(1,070)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	270	32,840
4.5	Effect of movement in exchange rates on cash held	2,069	940
4.6	Cash and cash equivalents at end of period	33,095	33,095

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	13,491	14,606
5.2	Call deposits	19,604	27,473
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)	33,095	42,079

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	366
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	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	17,184	3,336
7.4	Total financing facilities	17,184	3,336
7.5	Unused financing facilities available at quarter end		13,848
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.		
	<p>Other consists of:</p> <ul style="list-style-type: none"> a) Convertible note to Mercer Street Global Opportunity Fund, LLC (Mercer) with a face value of \$2.7M. No interest is payable on unconverted drawn funds. The amounts drawn down are secured against Anteris' assets excluding the ADAPT® intellectual property. Details of the convertible note is disclosed below: <ul style="list-style-type: none"> o The third tranche of \$2.7M* face value entitles Mercer the right to convert the note into fully paid ordinary shares at 90% of the average five-day VWAP immediately prior to the issue of the conversion notice, subject to a floor price of \$4.00. Expiry 12 August 2022. o The first and second convertible note tranches were exercised and converted into ordinary shares during the quarter. b) Undrawn discretionary drawdown facility from Mercer to invest in new shares subject to certain terms and conditions. The Company has entered into a funding package with Mercer which includes a \$16.5M discretionary drawdown facility (\$0.6M drawn) for Mercer to invest in new shares subject to certain terms and conditions. These include that Mercer cannot be required to acquire an interest in fully paid ordinary shares in Anteris exceeding 4.99% unless Mercer gives its written consent and in that case it is not to exceed 9.99%. c) ANZ financial guarantee \$86k at an interest rate of 2.5%, expiring 30 April 2024. <p>*All amounts shown on a gross basis (prior to transaction costs).</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(10,684)
8.2 Cash and cash equivalents at quarter end (item 4.6)	33,095
8.3 Unused finance facilities available at quarter end (item 7.5)	13,848
8.4 Total available funding (item 8.2 + item 8.3)	46,943
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.4
<i>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.</i>	
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?	
Answer: N/a	
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?	
Answer: N/a	
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?	
Answer: N/a	

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: 25 July 2022

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 – e.g. 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