

ASX ANNOUNCEMENT

26 October 2022

QUARTERLY ACTIVITY REPORT FOR THE PERIOD TO 30 SEPTEMBER 2022

Anteris Technologies Ltd (ASX: AVR) (Anteris or the Company) release of its Appendix 4C – Quarterly Cash Flow report for the quarter ended 30 September 2022 (Q3, 2022).

Highlights

- DurAVR™ 30-day follow-up results on the second cohort of eight patients were released showing clinically significant improvements.
- Anteris hosted Australian interventional cardiology experts at the Malaga WA facility to provide a technical overview of DurAVR™ Transcatheter Heart Valve (THV) technology and a tour of the facility.
- Anteris presented detailed 30-day outcomes of the combined cohort of 13 patients, from the DurAVR™ THV First-In-Human (FIH) trial at the Transcatheter Cardiovascular Therapeutics (TCT) conference demonstrating 100% procedural success, excellent haemodynamics and restoration of normal laminar flow dynamics.
- Preliminary results released at TCT demonstrating restoration of normal pre-disease blood flow being superior to competitor products.
- Mercer Street Global Opportunity Fund, LLC requested conversion of half of its third tranche of convertible notes with a face value of \$1.35m into shares and repayment of the remaining half in cash.
- Pioneering interventional cardiologist Dr Martin Leon, MD joined the Anteris Global Medical Advisory Board.

During the quarter the Company reported 30 day follow up results on the second cohort of eight patients showing clinically significant improvements and all thirteen patients in this first-in-human DurAVR™ THV study showed marked improvements in their clinical status compared to pre-treatment levels.

Anteris presented at the world's largest interventional cardiology conference, the Transcatheter Cardiovascular Therapeutics (TCT) conference held in Boston which is attended by approximately 9,000 delegates (physicians, industry executives, funds and analysts) bringing significant attention to DurAVR™ THV in-human trial results and data.

Also presented at TCT were the results of a study of 22 patients comparing valve flow against current aortic valve replacements and normal healthy aortic valves. The study showed DurAVR™ THV produced no significant difference in flow compared to a healthy aortic valve. Conversely the study showed that current generation Transcatheter Aortic Valve Replacement (TAVR) and Surgical Aortic Valve Replacement (SAVR) demonstrated statistically significantly worse flow.

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On 5 September 2022 Anteris hosted a group of Australian interventional cardiology and TAVR experts at the Malaga facility in WA. The group were given a detailed overview of the DurAVR™ technology, a tour of the facility and opportunity to observe the R&D laboratories, ongoing testing and manufacturing operations.

As announced on 12 July 2022, Dr Martin Leon joined the Anteris Global Medical Advisory Board. Dr Leon is globally recognized as an early pioneer in the development of minimally invasive approaches to treating coronary and structural heart disease and will help accelerate the Company's progress in both product development and clinical science to bring validation for our novel DurAVR™ Transcatheter Heart Valve System for patients with severe aortic stenosis.

Financial Performance Overview

Anteris continues to invest in research and development and the growth of the business to support product development and the process of seeking regulatory approvals to bring the company's DurAVR™ Transcatheter Heart Valve (THV) technology to market.

The closing cash balance as at 30 September 2022 was \$22.8M, down \$10.3M from 30 June 2022 and consisted of:

- Net operating cash outflows of \$9.4M incorporating:
 - Research and development of \$2.6M. The Company continues to invest in its expanded valve, frame and catheter development and production activities. This quarter has seen a decrease in costs from the June 2022 quarter which included \$0.6M attributable to the second cohort first-in-human DurAVR™ patient study held.
 - Staff costs of \$3.8M. Overall staff costs in 2022 have increased due to recruitment of additional headcount as it prepares for the Early Feasibility Study in the United States. Headcount has increased from 56 to 66 over the last year. The lower Australian dollar exchange rate relative to the US dollar has contributed to an increase in employee costs.
 - Administration and corporate costs of \$3.2M. The quarter's Administration and corporate costs are down on the prior quarter and comprise travel costs including travel for TCT attendance and the Malaga facility tour, corporate and compliance costs including audit, tax and legal advisors, information technology and investor relations as well as marketing costs. Costs have increased over prior year reflecting a recommencement of travel given the previous COVID travel restrictions, an expanded investor relation program and additional consulting costs exploring a possible Nasdaq listing.
 - Customer receipts of \$1.2M from the sale of tissue products.
- Investing cash outflows of \$0.6M primarily related to prepayments for the expansion of facilities in the United States; and
- Net Financing cash outflow of \$1.3M primarily related to the repayment of \$1.35M of borrowings as detailed below offset by net proceeds of \$0.2M from the exercise of options which were converted into ordinary shares.

Mercer Street Global Opportunity Fund LLC (Mercer) provided notice to convert half of its third and final tranche of convertible notes with a face value of \$1.35 million into 58,926 ordinary shares, with the remaining convertible notes with a face value of \$1.35 million repaid in cash. The Company continues to have a \$16.5 million discretionary drawdown facility with Mercer with only \$0.6 million drawn.

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.

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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

35 088 221 078

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,188	3,373
1.2 Payments for		
(a) research and development	(2,565)	(9,406)
(b) product manufacturing and operating costs	(661)	(1,121)
(c) advertising and marketing	(428)	(678)
(d) leased assets	-	-
(e) staff costs	(3,807)	(13,269)
(f) administration and corporate costs	(3,170)	(9,225)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	96	125
1.5 Interest and other costs of finance paid	(88)	(171)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	22
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(9,435)	(30,350)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(c) property, plant and equipment	(477)	(1,495)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	(78)	(130)
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	(555)	(1,625)
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	255	7,275
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(21)	(1,466)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(1,350)	(1,350)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(181)	(516)
3.10	Net cash from / (used in) financing activities	(1,297)	31,543

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	33,095	21,300
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(9,435)	(30,350)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(555)	(1,625)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,297)	31,543
4.5	Effect of movement in exchange rates on cash held	993	1,933
4.6	Cash and cash equivalents at end of period	22,801	22,801

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	13,484	13,491
5.2	Call deposits	9,317	19,604
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)	22,801	33,095

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	376
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. 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)	11,113	636
7.4 Total financing facilities	11,113	636
7.5 Unused financing facilities available at quarter end		10,477
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.		
Other consists of:		
<p>a) 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%.</p> <p>b) 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).		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(9,435)
8.2 Cash and cash equivalents at quarter end (item 4.6)	22,801
8.3 Unused finance facilities available at quarter end (item 7.5)	10,477
8.4 Total available funding (item 8.2 + item 8.3)	33,278
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.5
<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?

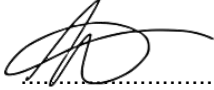
Answer:

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: 26 October 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