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31 January 2018

Centralised Company Announcements Platform  
ASX Limited  
10th floor, 20 Bond Street  
Sydney NSW 2000

Dear Sir / Madam,

#### **Appendix 4C – Amended Quarterly Report**

The Company wishes to clarify a statement made in the previously lodged Quarterly Report for the period ended 31 December 2017, lodged with ASX on 30 January 2018. The Company referenced a quarter-on-quarter growth % based on actual \$ ADAPT sales, however the prior quarter sales against which growth was measured had been incorrectly reported previously. Footnotes to that effect have been incorporated into the attached amended Quarterly Report.

Yours sincerely

**For and on behalf of Admedus Limited**

A handwritten signature in blue ink that reads 'M. McGuire'.

Maja McGuire  
Company Secretary

31 January 2018

# ASX ANNOUNCEMENT

## **Admedus Limited (ASX:AHZ)**

### **Quarterly report – Appendix 4C for the period to 31 December 2017.**

Please refer to the attached Appendix 4C for details of cash flow results for the quarter to 31 December 2017<sup>1</sup> for the Admedus Group.

#### **HIGHLIGHTS OF THE QUARTER INCLUDE:**

- \$6.3 million revenue for the quarter, up 26% from \$5.0 million in the previous quarter.
- A secured debt facility of up to \$10 million entered into with Partners for Growth (PFG).
- Submission of IP applications for Admedus Transcatheter Aortic Valve Replacement (TAVR) device with potential market of US\$3.5 billion.
- Regulatory approval to launch CardioCel® in the Republic of India.
- Product registration for CardioCel® granted in India and Jordan.
- Establishment of the permanent TAVR Advisory Board.

#### **STRONG END TO A TRANSFORMATIONAL YEAR**

The quarter ending 31 December 2017 concluded a significant cycle of change for Admedus during which the Company finalised a corporate restructure, implemented numerous improvement initiatives, reset strategic direction and continued to gain further momentum in the path to profitability.

During this quarter, and during 2017, Admedus achieved solid revenue growth, launched breakthrough and innovative developmental projects and expanded in new and emerging markets.

#### **REVOLUTIONISING THE TAVR SPACE**

In October, Admedus submitted two separate IP applications in the United States pertaining to its new Transcatheter Aortic Valve Replacement (TAVR) device. TAVR is a less invasive procedure that uses a catheter, usually inserted through the leg, to replace diseased aortic valves thereby eliminating the need for open-heart surgery. The global TAVR market currently represents approximately US\$3.5 billion annually and is expected to grow to US\$7.5 billion by 2024.

Current TAVR products contain 3 separate pieces of leaflet tissue held in place by 150-160 sutures. The Admedus TAVR device includes a uni-body valve design featuring proprietary ADAPT® tissue technology. This results in a single piece replacement valve held in place by only 15 sutures. The simplified design is a significant advance toward improved device reliability and hemodynamics. The use of Adapt treated tissue helps ensure improved valve durability. Both are critical attributes of this life saving technology and will offer benefits for patients, physicians and or staff.

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<sup>1</sup> Based on interim unaudited results

The Admedus IP applications relate to the development and manufacture of a three-dimensional replacement heart valve as a single piece of tissue.

The Company will continue to develop this product and add to the current IP portfolio in conjunction with the expert Advisory board of global opinion leaders throughout 2018.

A prototype of the Admedus TAVR was unveiled during this quarter at our Annual General Meeting in November and drew high levels of interest from investors and market analysts.

### **CONTINUED GROWTH IN ADAPT® PORTFOLIO AND ENTRY INTO NEW MARKETS**

ADAPT® achieved sales revenue of \$2.1 million for the quarter, up 18%<sup>2</sup> on the previous quarter<sup>3</sup>. This was largely driven by increased sales in the Europe and Emerging Markets regions.

This growth occurred in spite of major field force reshuffles in the EU and US with many territories left vacant during the quarter. Territories that had consistent sales representation saw growth of 100% further validating both the clinical superiority of our products as well as the commercial model. “As our company story has developed and our brand equity grown during 2017 we have been able to attract higher levels of talent within the field force” said Paterson, which will pay significant dividends during 2018.

Highlights this quarter for our ADAPT® portfolio included registration approvals for our flagship product CardioCel® in India and Jordan.

We also received regulatory approval to launch CardioCel® in India, with Syncronei Medical India Pvt Ltd appointed as exclusive commercial partner managing all sales, marketing and distribution.

This is a major opportunity for Admedus to enter one of the world’s most important and dynamic medical markets, the Indian healthcare segment is worth approximately \$158 billion and growing rapidly.

It offers enormous commercial potential for our ADAPT® products with approximately 50 million cardiac patients and 280,000 babies born annually with a Congenital Heart Defect (CHD).

Admedus officially launched CardioCel® in India on 30 January 2018.

### **CardioCel 3D**

Another key development for ADAPT® this quarter was the successful conclusion of our CardioCel® 3D expanded evaluation program.

CardioCel® 3D is the first of our next-generation shaped tissue products and represents a disruptive technology in the highly complex aortic arch repair space. It will be available for sale in North America from 1 February 2018.

“The successful commercialization of our 1<sup>st</sup> 3D product is a significant milestone in the company’s development as we move the product portfolio up the value chain into the high value space of 3D molded solutions where there is a high unmet medical need that will make a difference in patients’ lives “said Paterson

### **ONGOING GROWTH IN THE INFUSION BUSINESS**

The Admedus Infusion business continues sales growth momentum building on the success of our new Royal Adelaide Hospital implementation project in the previous quarter.

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<sup>2</sup> % growth calculated on actual unrounded revenue (Dec:\$2,061k vs Sep:\$1,744k)

<sup>3</sup> Prior quarter ADAPT® revenue incorrectly reported. Total ADAPT® revenue for the half year is \$3.8 million.

Sales revenue increased by 28% to \$4.2 million for the quarter and underlying sales<sup>4</sup> grew 57% (or \$1.5 million) on Prior Comparable Period (PCP).

December was the fifth consecutive month of infusion sales exceeding a million dollars - including our highest ever number of *ambIT* pump sales.

This business unit has developed into a consistent and reliable source of revenue and we hope to build on its success with expansion into new territories and health facilities throughout 2018.

## **OPERATIONS**

### **Refinancing**

Early in this quarter Admedus announced it had entered into an agreement with Partners for Growth (PFG) for a secured debt facility of up to \$10 million<sup>5</sup>. The facility consists of a \$5 million revolving line of credit and a term loan of \$5 million, both with a 36-month term. This non-dilutive debt financing facility has funded key operational and strategic projects that increase efficiency, enable expansion and help to propel the Company to the next stage of its evolution. The \$5 million term loan was drawn down during the quarter.

### **Key appointments**

Admedus welcomed Catherine Costello as Chief Financial Officer in November 2017 and more recently, Eric Lambert as Regional Vice President - Europe. They join a team of subject matter experts who are committed to achieving the Company's strategic objectives.

*Wayne Paterson said "Catherine and Eric are significant appointments to the Admedus leadership team that will be key in our continued progress of transforming business into a leading global medical technology player and a bankable business."*

### **Change of reporting dates**

During this quarter Admedus changed its financial year-end from 30 June to 31 December. This change more closely aligns Admedus' reporting period with its global business sales cycles, assisting with forecasting, cash flow management and investment decisions. Because of this change, Admedus' 2018 Annual General Meeting will be held in May 2018.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Wayne Paterson'.

Wayne Paterson  
Chief Executive Officer

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<sup>4</sup> Underlying sales is sales revenue less capital sales

<sup>5</sup> ASX Release 26 October 2017

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity****Quarter ended ("current quarter")**

Admedus Limited

31 December 2017

**ABN** 35 088 221 078

<b>Consolidated statement of cash flows</b>		<b>Current quarter</b>	<b>Year to date</b>
		<b>\$A'000</b>	<b>(6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>			
1.1 Receipts from customers		6,484	11,647
1.2 Payments for			
(a) research and development		(414)	(598)
(b) product manufacturing and operating costs		(2,753)	(4,912)
(c) advertising and marketing		(462)	(1,247)
(d) leased assets		-	-
(e) staff costs		(4,774)	(8,867)
(f) administration and corporate costs		(1,374)	(2,571)
1.3 Dividends received		-	-
1.4 Interest received		-	-
1.5 Interest and other costs of finance paid		(95)	(95)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	27
1.8 Other (provide details if material)		-	16
<b>1.9 Net cash from / (used in) operating activities</b>		<b>(3,388)</b>	<b>(6,600)</b>
<b>2. Cash flows related to investing activities</b>			
2.1 Payments to acquire:			
(a) property, plant and equipment		(420)	(908)
(b) businesses (see item 10)			
(c) investments			
(d) intellectual property			
(e) other non-current assets			
2.2 Proceeds from disposal of:			
(a) property, plant and equipment			
(b) businesses (see item 10)			
(c) investments			
(d) intellectual property			
(e) other non-current assets			
2.3 Cash flows from loans to other entities			
2.4 Dividends received (see note 3)			
2.5 Other (provide details if material)			
<b>2.6 Net cash from / (used in) investing activities</b>		<b>(420)</b>	<b>(908)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>3. Cash flows from financing activities</b>			
3.1 Proceeds from issues of shares		1	1
3.2 Proceeds from issue of convertible notes			
3.3 Proceeds from exercise of share options			
3.4 Transaction costs related to issues of shares, convertible notes or options			
3.5 Proceeds from borrowings		5,000	5,000
3.6 Repayments of borrowings			
3.7 Transaction costs related to loans and borrowings		(497)	(497)
3.8 Dividends paid			
3.9 Other (provide details if material)			
<b>3.10 Net cash from / (used in) financing activities</b>		<b>4,503</b>	<b>4,503</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>			
4.1 Cash and cash equivalents at beginning of quarter/year to date		7,560	11,260
4.2 Net cash from / (used in) operating activities (item 1.9 above)		(3,388)	(6,600)
4.3 Net cash from / (used in) investing activities (item 2.6 above)		(420)	(908)
4.4 Net cash from / (used in) financing activities (item 3.10 above)		4,503	4,503
4.5 Effect of movement in exchange rates on cash held		-	-
<b>4.6 Cash and cash equivalents at end of quarter</b>		<b>8,255</b>	<b>8,255</b>
<b>5. Reconciliation of cash and cash equivalents</b>		<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
at the end of the quarter (as shown in the consolidated statement of cash flows) to the relate items in the accounts			
5.1 Bank balances		3,090	7,560
5.2 Call deposits		5,165	
5.3 Bank overdrafts			
5.4 Other (provide details)			
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>		<b>8,255</b>	<b>7,560</b>
<b>6. Payments to directors of the entity and their associates</b>		<b>Current quarter \$A'000</b>	
6.1 Aggregate amount of payments to these parties included in item 1.2		471	
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3		-	

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Director fees and CEO remuneration		
<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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<b>8.</b>	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount draw at quarter end \$A'000</b>
8.1	Loan facilities	10,000	5,000
8.2	Credit standby arrangements	295	-
8.3	Other (please specify)	108	108
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

<ul style="list-style-type: none"> <li>Partners for Growth: <ul style="list-style-type: none"> <li>\$5m secured term loan, fully drawn Interest rate: 11.25%<sup>1</sup></li> <li>\$5m secured revolving line of credit, undrawn Interest rate: 9.75%<sup>1</sup></li> </ul> </li> <li>ANZ Overdraft facility - \$295k</li> <li>ANZ Financial guarantees - \$108k</li> </ul> <p><sup>1</sup> A higher interest rate is payable if interest is not paid on time and fees may apply for multiple late payments</p>			
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<b>9.</b>	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Research and development	413
9.2	Product manufacturing and operating costs	2,612
9.3	Advertising and marketing	256
9.4	Leased assets	-
9.5	Staff costs	6,705
9.6	Administration and corporate costs	1,625
9.7	Other (provide details if material)	180
9.8	<b>Total estimated cash outflows</b>	<b>11,790</b>

<b>10.</b>	<b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

## 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.



Sign here: ..... Date: 31 January 2018  
Director

Print name: Wayne Paterson

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.



## About Admedus Limited

Admedus (ASX:AHZ) is a medical technologies company delivering clinically superior solutions that help healthcare professionals create life-changing outcomes for patients. Our focus is on investing in and developing next generation technologies with world class partners, acquiring strategic assets to grow product and service offerings and expanding revenues from our existing medical sales and distribution business. The company has assets from research & development through clinical development as well as sales, marketing and distribution.

Website: [www.admedus.com](http://www.admedus.com)  
Facebook: [www.facebook.com/Admedus](http://www.facebook.com/Admedus)  
Twitter: @Admedus

*For more information, please contact:*

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