

Appendix 4D

Name of entity

Anteris Technologies Ltd (AVR)

ABN

35 088 221 078

Half year ended ("current period")

30 June 2022

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	6 months to 30 June 2022 \$'000	6 months to 30 June 2021 \$'000	Change \$,000	Change %
Revenues from ordinary activities	2,484	3,174	(690)	(22%)
Loss from ordinary activities after tax	(22,140)	(10,358)	(11,782)	114%
Loss for the period attributable to members	(22,140)	(10,358)	(11,782)	114%

Dividends	Amount per security	Franked amount per security
Interim dividend proposed	NIL ¢	NIL ¢
Previous corresponding period	NIL ¢	NIL ¢

	30 June 2022	30 June 2021
Net Tangible Assets/(Liabilities) per share*	\$2.19	(\$0.76)

Refer to the Directors' report for a review of operations.

* Net Tangible Assets is calculated as net assets (including Right-of-Use assets) less intangible assets.

Independent Auditor's Review Report

The consolidated interim financial statements on which this report is based have been reviewed by KPMG. The Independent Auditor's Review Report is not modified but includes an Emphasis of Matter that a material uncertainty exists that may cast doubt on the entity's ability to continue as a going concern.

The condensed consolidated interim financial report does not include all the information required for a complete set of annual financial statements and should be read in conjunction with the financial statements for the year ended 31 December 2021.



ANTERIS TECHNOLOGIES LTD
ABN 35 088 221 078

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
30 JUNE 2022**

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DIRECTORS' REPORT

DIRECTORS

The Directors of the Company in office during the whole of the half-year and until the date of this report are as follows:

- John Seaberg
- Wayne Paterson
- Stephen Denaro
- Dr Wenyi Gu

PRINCIPAL ACTIVITIES

During the period, the principal activities of Anteris Technologies Ltd and its controlled entities (the "Group") consisted of:

- Continued research and development of regenerative medicine. Products under development in the aortic valve repair and replacement program include DurAVR™, a novel and highly durable 3D single piece aortic valve for the treatment of aortic stenosis. Combined with the ADAPT® technology this design delivers better haemodynamic performance through unique properties that are critical to longer lasting valves; and
- The manufacture and sale of proprietary ADAPT® regenerative tissue products globally.

OPERATING RESULT

The operating result for the period was as follows:

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Revenue	2,484,041	3,173,787
Loss for the period	(22,140,245)	(10,358,138)

DIVIDENDS

No dividend was paid during the period and the Board has not recommended the payment of a dividend.

OPERATING AND FINANCIAL REVIEW

Group Overview

In late 2021, Anteris cemented its claim as a structural heart company delivering clinical superior solutions with the successful implantation of its DurAVR™ prosthetic aortic valve in five patients with acute aortic stenosis in a first-in-human (FIH) study at the Tbilisi Heart and Vascular Clinic, Tbilisi, Georgia. Seven and 30-day patient follow-up results reinforced Anteris' aspiration to "create life-changing outcomes for patients".

Study results to date are outstanding with DurAVR™ showing superior haemodynamics and some of the largest Effective Orifice Areas (EOAs) seen on any Transcatheter Aortic Valve Replacement (TAVR) platform. The results reflect meticulous preparation. This first round validates all prior preclinical work.

The Company's primary target for its revolutionary DurAVR™ Transcatheter Heart Valve (THV) system is the multibillion-dollar TAVR market. Based on its proprietary ADAPT® tissue platform (the only bioscaffold to demonstrate zero calcification after 10 years use in cardiac surgery) and combined with its unique valve design, Anteris' DurAVR™ prosthetic valve has the potential to solve the problems associated with current aortic valve replacement options; being, valve degradation due to calcification and long term durability. The Anteris solution is to offer a functional valve for life in an estimated \$US10 billion market by 2025.

Review of Operations

Progress of ADAPT® and the TAVR development program

During the half year, Anteris significantly advanced its TAVR program. Encouraging data showed its transformational DurAVR™ prosthetic valve works better and lasts longer than competitor product. In post-operative patient reviews, DurAVR™'s flow characteristics proved to be as close as possible to a normal human aortic valve - testament to its unique 3D tissue design.

At the informal 6-month follow-up, Anteris reported all five patients were doing very well, showing marked improvements since the 3-month follow-up, with exceptional haemodynamics despite complex anatomy. The five subjects in the first-in-human DurAVR™ THV study were implanted in November 2021 at the Tbilisi Heart and Vascular Clinic, Tbilisi (Georgia).

DIRECTORS' REPORT (continued)

OPERATING AND FINANCIAL REVIEW (continued)

Review of Operations (continued)

Further results also showed:

- 6-minute walk test (key marker of patient well-being) improved 46% since baseline and a further 21% between 3 and 6 months, demonstrating compelling results in patients' ability to exercise;
- Laminar flow on MRI continued showing significant improvements compared with existing valves, indicating the potential benefits that this aspect of the DurAVR™ can bring to patients.

The first-in-human DurAVR™ THV study saw eight more patients successfully implanted in May 2022. All eight patients have so far done exceptionally well with the 30-day follow up (reported to the ASX on 11 July 2022) showing clinically significant improvements. Specifically, there was an average 81% decline in Mean Pressure Gradient (range -89% to -74%) with an average 300% increase in EOA (range 217% - 582%), denoting a marked improvement in the valve's surface area and, hence, improved blood flow.

Furthermore, best-in-class laminar flow and improved (normalized) pressures under high cardiac output conditions were observed. In total, 13 patients were implanted.

Dr Chris Meduri, Anteris' Chief Medical Officer, continues to oversee the TAVR development program and the first-in-human study.

Anteris further strengthened its Medical Advisory Board during the half year with two strategically important appointments, enhancing Anteris' commercialisation and market development efforts in Australia.

In March, there was Brisbane-based Dr Karl Poon MB, BS, FRACP, CSANZ. He is a highly experienced interventional cardiologist with expertise in structural heart disease interventions and among Australia's most accomplished Transcatheter Aortic Valve Implantation (TAVI) interventionists.

In May, Anteris welcomed Associate Professor Dion Stub MBBS, PhD, FRACP of the Alfred Hospital and Monash University. Melbourne based, Professor Stub is a highly experienced interventional cardiologist specializing in structural heart procedures, including angioplasty, TAVI and balloon valvuloplasty.

Anteris formed a research partnership with Yale University and the Yale Cardiovascular Research Group (YCRG) during the half year, providing a platform to study further the various ways and mechanisms haemodynamic function, post TAVR in patients with severe aortic stenosis, can be impacted by product design. Dr. Alexandra Lansky, MD, Director of the YCRG, Professor of Medicine, and a practicing clinical cardiologist at Yale New Haven Hospital will lead the collaboration.

The Company strengthened its IP portfolio during the half, filing a provisional patent pertaining to its tissue treatment technology, ADAPT®. The patent relates specifically to aspects of the sterilization process, allowing the safe transfer of product to the manufacturer. This enhancement, once approved, will significantly reduce labour, manufacturing time and costs. It will also allow DurAVR™ manufacture, beginning in Australia, to be completed at additional sites, say, in the US.

Placement

Anteris placed 1,840,000 new Ordinary Shares raising \$US20.0 million (\$A27.6 million) to Perceptive Life Sciences Master Fund, Ltd (managed by Perceptive Advisors (Perceptive)). Proceeds are primarily for the clinical development of DurAVR™. Perceptive became Anteris' largest shareholder with an approximate 14% holding. New York based Perceptive invests only in life sciences.

Profit and loss review

Revenue from ordinary activities for the six months ended 30 June 2022 was \$2,484,041 decreasing from \$3,173,787 for the six months ended 30 June 2021. The Company recognised Other income of \$508,916 (six months ended 30 June 2021: \$120,934). The increase from the prior period primarily relates to additional income recognised relating to the 2021 Australian government Research and Development Tax Incentive and interest income received on short-term deposits.

The Group loss, after income tax provisions, for the half year ended 30 June 2022 was \$22,140,245 compared with the previous corresponding half year loss to 30 June 2021 of \$10,358,138. The Company has significantly expanded the research and development program including the preparation and completion of the second cohort in its DurAVR™ first-in-human patient study. In addition, the Company has recruited additional personnel predominately engaged in R&D as we prepare for the Early Feasibility Study in the United States.

DIRECTORS' REPORT (continued)

OPERATING AND FINANCIAL REVIEW (continued)

Review of Operations (continued)

Financial Position

The closing cash position was \$33,095,149, an increase of \$11,795,285 from \$21,299,864 at 31 December 2021. Net working capital (current assets less current liabilities) increased by \$16,979,619 compared with 31 December 2021.

Cash Flow

The net cash inflow during the period was \$10,855,552, reflecting:

- Net operating cash outflows of \$20,914,034 includes payments to support the Company's research and development program including the preparation and completion of the second cohort in its DurAVR™ first-in-human patient study; employee remuneration; corporate and administrations costs.
- Net investing cash outflows of \$1,070,346, primarily related to the acquisition of IT and laboratory equipment as well as clean-room fit-out costs; and
- Net financing cash inflows of \$32,839,932 included proceeds of \$34,619,874 from a share issue and option conversions; partly offset by the payment of related transaction costs; as well as the payment of lease liabilities primarily related to properties.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

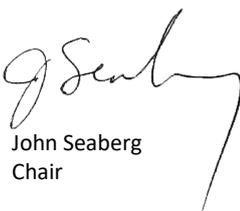
On 1 August 2022, Mercer Street Global Opportunity Fund, LLC (Mercer) converted 1,350,000 of its third tranche of convertible notes with a face value of \$1,350,000 into 58,926 ordinary shares. The remaining portion of the third tranche of convertible notes with a face value of \$1,350,000 was repaid in cash on 3 August 2022.

Other than the above event, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the group, the results of those operations, or the state of affairs of the Group, in future financial periods.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached.

This report is made in accordance with a resolution of the Directors.



John Seaberg
Chair

Dated 24 August 2022



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Anteris Technologies Ltd

I declare that, to the best of my knowledge and belief, in relation to the review of Anteris Technologies Ltd for the half-year ended 30 June 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature of the KPMG representative, written in blue ink.

KPMG

A handwritten signature of Stephen Board, written in blue ink.

Stephen Board
Partner

Brisbane
24 August 2022

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE HALF YEAR ENDED 30 JUNE 2022

	Note	30 JUNE 2022 \$	30 JUNE 2021 \$
Revenue from continuing operations	7	2,484,041	3,173,787
Other income	7	508,916	120,934
Foreign exchange gain		1,449,632	188,937
Changes in inventory		(150,582)	42,663
Raw materials and consumables used		(840,939)	(660,709)
Employee benefits	8	(8,356,351)	(6,324,134)
Consultancy and legal fees		(4,012,472)	(894,203)
Travel and conference expenses		(681,882)	(7,253)
Research and development costs		(6,287,822)	(3,033,072)
Share based payments	8, 17	(1,849,444)	(113,044)
Depreciation and amortisation expense	8	(761,466)	(642,744)
Financing costs	8	(805,315)	(691,501)
Fair value movement of derivatives		(601,471)	(130,303)
Marketing and promotional expenses		(312,842)	(284,119)
Infrastructure		(376,023)	(200,416)
Insurance		(548,387)	(352,559)
IT and telecommunications		(496,952)	(276,392)
Other expenses		(500,886)	(274,010)
Loss before income tax from continuing operations		(22,140,245)	(10,358,138)
Income tax (expense)/benefit	9	-	-
Loss after income tax for the period		(22,140,245)	(10,358,138)
Total loss is attributable to:			
Equity holders of Anteris Technologies Ltd		(22,140,245)	(10,358,138)
Loss per share from continuing operations attributable to ordinary equity holders of the Company (\$ per share)			
Basic and diluted loss per share		1.73	1.58

The above Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 30 JUNE 2022

	30 JUNE 2022 \$	30 JUNE 2021 \$
Loss for the period	(22,140,245)	(10,358,138)
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences on translation of foreign operations	(260,386)	(143,325)
Other comprehensive loss for the period, net of tax	(260,386)	(143,325)
Total comprehensive loss	(22,400,631)	(10,501,463)
Total comprehensive loss is attributable to:		
Equity holders of Anteris Technologies Ltd	(22,400,631)	(10,501,463)

The above Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	30 JUNE 2022 \$	31 DECEMBER 2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents		33,095,149	21,299,864
Trade and other receivables, and other financial assets		3,594,059	2,585,438
Inventories		607,163	757,745
Other assets		1,595,730	1,196,449
Total Current Assets		38,892,101	25,839,496
Non-Current Assets			
Plant & equipment	10	2,011,889	1,666,124
Right-of-use assets	11	1,216,445	830,863
Intangible assets	12	970,052	1,145,195
Total Non-Current Assets		4,198,386	3,642,182
TOTAL ASSETS		43,090,487	29,481,678
LIABILITIES			
Current Liabilities			
Trade and other payables		4,698,719	6,568,284
Lease liabilities	13	692,185	625,240
Other financial liabilities	14	300,602	581,136
Borrowings	15	2,642,157	4,682,765
Provisions		680,988	484,240
Total Current Liabilities		9,014,651	12,941,665
Non-Current Liabilities			
Lease liabilities	13	733,903	421,460
Other financial liabilities	14	1,553,107	1,210,398
Provisions		625,517	560,285
Total Non-Current Liabilities		2,912,527	2,192,143
TOTAL LIABILITIES		11,927,178	15,133,808
NET ASSETS		31,163,309	14,347,870
EQUITY			
Contributed equity	19	210,004,671	172,638,045
Reserves	20	978,490	(610,568)
Accumulated losses		(179,819,852)	(157,679,607)
TOTAL EQUITY		31,163,309	14,347,870

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30 JUNE 2022

	Note	Contributed Equity \$	Share based payments reserve \$	Other Reserves \$	Foreign currency translation reserve \$	Accumulated Losses \$	Total Equity \$
Balance as at 1 January 2021		138,740,016	5,757,371	(7,243,027)	(74,566)	(134,772,580)	2,407,214
Loss for the period		-	-	-	-	(10,358,138)	(10,358,138)
Exchange translation differences		-	-	-	(143,325)	-	(143,325)
Total comprehensive loss		-	-	-	(143,325)	(10,358,138)	(10,501,463)
Transactions with owners in their capacity as owners							
Shares issued during the period		4,053,201	-	-	-	-	4,053,201
Capital raising costs		(402,865)	-	-	-	-	(402,865)
Options issued during the period		-	-	357,143	-	-	357,143
Share based payments		-	113,044	-	-	-	113,044
Balance as at 30 June 2021		142,390,352	5,870,415	(6,885,884)	(217,891)	(145,130,718)	(3,973,726)
Balance as at 1 January 2022		172,638,045	7,097,424	(6,885,884)	(822,108)	(157,679,607)	14,347,870
Loss for the period		-	-	-	-	(22,140,245)	(22,140,245)
Exchange translation differences		-	-	-	(260,386)	-	(260,386)
Total comprehensive loss		-	-	-	(260,386)	(22,140,245)	(22,400,631)
Transactions with owners in their capacity as owners							
Shares issued during the period	19	37,859,170	-	-	-	-	37,859,170
Capital raising costs	19	(492,544)	-	-	-	-	(492,544)
Share based payments	20	-	1,849,444	-	-	-	1,849,444
Balance as at 30 June 2022		210,004,671	8,946,868	(6,885,884)	(1,082,494)	(179,819,852)	31,163,309

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 30 JUNE 2022

Note	30 JUNE 2022 \$	30 JUNE 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,185,482	3,563,236
Payments to suppliers and employees	(23,067,384)	(12,112,760)
R&D tax incentive refund	-	1,492,517
Government grants	22,000	-
Interest paid	(82,832)	(149,254)
Interest received	28,700	955
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(20,914,034)	(7,205,306)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant & equipment	(1,017,861)	(193,014)
Payments for intangible assets	(52,485)	-
Payments to acquire investments	-	(400,000)
Proceeds from sale of plant and equipment	-	7,873
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(1,070,346)	(585,141)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share or options issues	34,619,874	3,881,701
Share issue transaction costs	(1,444,899)	(323,521)
Proceeds from convertible notes	-	5,000,000
Repayment of borrowings	-	(1,220,000)
Borrowings and convertible note transaction costs	-	(518,738)
Payment of lease liabilities	(335,043)	(242,320)
NET CASH INFLOW FROM FINANCING ACTIVITIES	32,839,932	6,577,122
NET INCREASE/(DECREASE) IN CASH HELD	10,855,552	(1,213,325)
CASH AT BEGINNING OF THE PERIOD	21,299,864	4,354,355
Effect of Exchange rate fluctuations on cash held	939,733	4,805
CASH AT END OF THE PERIOD	33,095,149	3,145,835

The above half year Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

1. REPORTING ENTITY

Anteris Technologies Ltd (the “Company”) is a company domiciled in Australia. The consolidated interim financial statements as at and for the half year ended 30 June 2022 comprise the Company and its controlled entities (the “Group”). For the purpose of preparing the interim financial statements, the Company is a for-profit entity.

The consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value through profit or loss.

The consolidated financial statements of the Group as at and for the year ended 31 December 2021 are available upon request from the Company’s registered office at Level 3, 9 Sherwood Rd Toowong Qld 4066 or at www.anteristech.com/investors.

2. STATEMENT OF COMPLIANCE

The condensed consolidated interim financial report for the half-year ended 30 June 2022 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The condensed consolidated interim financial report does not include all the information required for a complete set of annual financial statements and should be read in conjunction with the financial statements for the year ended 31 December 2021 and any public announcements made by the Company during the half-year period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The consolidated interim financial statements were approved by the Board of Directors on the date of signing the Directors’ Declaration.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the consolidated interim financial statements are consistent with those adopted and disclosed in the Group’s financial statements for the year ended 31 December 2021. These accounting policies are consistent with Australian Accounting Standards and International Financial Reporting Standards.

Standards and Interpretations on issue not yet adopted

The Directors have reviewed all Standards and Interpretations on issue not yet adopted for the period ended 30 June 2022. As a result of this review, the Directors have determined that there is no material impact of the Standards and Interpretations on issue not yet adopted by the Company on the Group’s financial statements in the period of initial application, and therefore, no change is necessary to Group accounting policies.

4. ESTIMATES AND JUDGEMENTS

In preparing these consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements of the Group as at and for the year ended 31 December 2021.

Information about judgements made in determining whether there are material uncertainties that may cast significant doubt on the Group’s ability to continue as a going concern is included in note 5.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

5. GOING CONCERN

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharges of liabilities in the ordinary course of business.

As disclosed in the financial statements, the Group incurred a net loss of \$22,140,245 and had net cash outflows from operating activities of \$20,914,034 for the interim period ended 30 June 2022. As at that date, the Group had a cash balance of \$33,095,149. Net working capital (current assets minus current liabilities) at 30 June 2022 was \$29,877,450.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Company has an established track record of successfully raising new capital and debt facilities.
- Anteris has a put option facility with Mercer Street Global Opportunity Fund, LLC which allows the Company to request funding, subject to certain conditions, of up to \$16,500,000 (less taxes and transaction costs) in exchange for which Anteris will issue shares to Mercer. At 30 June 2022, \$13,848,000 of this facility is available as Anteris cannot require Mercer 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%. The put option facility expires in January 2023.
- Recent successful results for the first-in-human trials for DurAVR™ completed with planned ongoing studies.
- Retention of the manufacturing rights of ADAPT®'s CardioCel™ and VascuCel™ products until July 2023.
- Continued product innovation led by the TAVR program and other large market opportunities that are at varying stages of design development, regulatory clearance and user evaluation.
- New possible partnerships and alliances for TAVR products.
- Monitoring, containing and if required deferring operational costs, including R&D costs and capital expenditures.
- At the date of this report, the Company had 2,281,881 unlisted options on issue to external parties with a weighted average exercise price of \$11.19 which were in-the-money and exercisable.

In the event that the above opportunities do not eventuate, there are material uncertainties as to whether the Company and the Group will be able to continue as a going concern and therefore, whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company and Group not continue as a going concern.

6. SEGMENT REPORTING

(a) Basis for segmentation

Segment information is presented using a management approach, i.e. segment information is provided on the same basis as information as used for internal reporting purposes by the chief operating decision maker ("CODM", being the CEO that makes key strategic decisions). The CODM is responsible for the allocation of resources and assessing the performance of the Group. Management has determined that the activities of the business as reviewed by the CODM are one segment, being the development and commercialisation of the ADAPT® platform technology. This is focused on the DurAVR™ Transcatheter Heart Valve System.

The comparative segment information has been restated as Anteris previously reported the operations as two segments.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

6. SEGMENT REPORTING (CONTINUED)

(b) Information about reportable segments

Segment information

	Total	
	30 JUNE 2022 \$	30 JUNE 2021 \$
Total segment revenue	2,484,041	3,173,787
Segment profit/(loss)	(22,140,245)	(10,358,138)

	Total	
	30 JUNE 2022 \$	31 DECEMBER 2021 \$
Segment assets	43,090,487	29,481,678
Segment liabilities	(11,927,178)	(15,133,808)

7. REVENUE AND OTHER INCOME

	30 JUNE 2022 \$	30 JUNE 2021 \$
Revenue from continuing operations		
Sale of goods		
Revenue from contracts with customers, at a point in time	2,484,041	3,173,787
Other income		
Government grants ¹	421,281	72,517
Interest income	82,537	42,072
Sundry income	5,098	6,345
Total other income	508,916	120,934

¹ Government grants consist of the Research and Development Tax Incentive \$399,281 (2021: \$72,517) and a Growth grant of \$22,000 (2021: nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

8. EXPENSES

	30 JUNE 2022 \$	30 JUNE 2021 \$
Depreciation and amortisation		
Depreciation of Plant and Equipment	300,572	225,326
Depreciation of Right-of-use Assets	324,243	276,069
Amortisation of Intangibles	136,651	141,349
	761,466	642,744
Employment benefits		
Remuneration and on-costs	7,426,058	5,902,047
Superannuation and pension expenses	321,318	238,145
Other employee benefits	608,975	183,942
	8,356,351	6,324,134
Share based payments	1,849,444	113,044
Financing costs		
Interest and finance charges paid/payable	20,756	205,214
Interest expense on lease liabilities	82,360	88,502
Amortisation of transactions costs	659,392	238,835
Unwind discount on liabilities	42,807	158,950
	805,315	691,501

9. INCOME TAX

	30 JUNE 2022 \$	30 JUNE 2021 \$
Numerical reconciliation of income tax benefit to prima facie tax payable		
Loss from continuing operations before income tax expense	(22,140,245)	(10,358,138)
Tax expense/(benefit) at the Australian tax rate of 25.0% (30 June 2021: 25.0%)	(5,535,061)	(2,589,535)
Tax effect of amounts that are not deductible/(taxable) in calculating taxable income:		
Share based payments	462,361	28,261
Non-assessable income	(113,411)	(17,916)
Other non-deductible expenses	256,087	91,384
Foreign exchanges losses	843,704	220,623
Other costs deductible for tax purposes	(161,222)	-
Subtotal	(4,247,542)	(2,267,183)
Adjustment for difference in foreign tax rates	425,863	202,773
Total tax expense/(benefit)	(3,821,679)	(2,064,410)
Deferred tax – current period benefits not recognised	3,821,679	2,064,410
Deferred tax – reversal of prior period temporary differences	-	-
Income tax expense/(benefit)	-	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

10. PLANT AND EQUIPMENT

	Total \$
At 31 December 2021	
Cost	4,979,896
Accumulated depreciation	(3,313,772)
Net book amount	1,666,124
Half-year ended 30 June 2022	
Opening net book amount	1,666,124
Additions	606,466
Disposals	(557)
Depreciation charge	(300,572)
Exchange rate differences	40,428
Closing net book amount	2,011,889
At 30 June 2022	
Cost	5,540,499
Accumulated depreciation	(3,528,610)
Net book amount	2,011,889

11. RIGHT-OF-USE ASSETS

	Property \$	IT equipment \$	Motor vehicles \$	Total \$
At 31 December 2021				
Cost	1,922,631	132,339	68,520	2,123,490
Accumulated depreciation	(1,208,048)	(42,706)	(41,873)	(1,292,627)
Net book amount	714,583	89,633	26,647	830,863
Half-year ended 30 June 2022				
Opening net book amount	714,583	89,633	26,647	830,863
Additions and modifications	699,986	-	-	699,986
Derecognition of right-of-use assets	-	(7,366)	-	(7,366)
Depreciation charge	(291,409)	(21,414)	(11,420)	(324,243)
Exchange rate differences	16,413	792	-	17,205
Closing net book amount	1,139,573	61,645	15,227	1,216,445
At 30 June 2022				
Cost	2,667,240	111,719	68,520	2,847,479
Accumulated depreciation	(1,527,667)	(50,074)	(53,293)	(1,631,034)
Net book amount	1,139,573	61,645	15,227	1,216,445

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

12. INTANGIBLE ASSETS

	Patents	Software	Intellectual property	Total
	\$	\$	\$	\$
At 31 December 2021				
Cost	671,817	12,470	3,500,000	4,184,287
Accumulated amortisation	(443,957)	(623)	(2,594,512)	(3,039,092)
Net book amount	227,860	11,847	905,488	1,145,195
Half-year ended 30 June 2022				
Opening net book amount	227,860	11,847	905,488	1,145,195
Additions – external purchases	-	52,485	-	52,485
Disposals	(92,765)	-	-	(92,765)
Amortisation	(7,990)	(3,969)	(124,692)	(136,651)
Exchange rate differences	-	1,788	-	1,788
Closing net book amount	127,105	62,151	780,796	970,052
At 30 June 2022				
Cost	397,463	66,789	3,500,000	3,964,252
Accumulated amortisation	(270,358)	(4,638)	(2,719,204)	(2,994,200)
Net book amount	127,105	62,151	780,796	970,052

13. LEASE LIABILITIES

	Property	IT equipment	Motor vehicles	Total
	\$	\$	\$	\$
At 31 December 2021				
Current lease liabilities	566,954	46,318	11,968	625,240
Non-current lease liabilities	340,361	46,484	34,615	421,460
Total	907,315	92,802	46,583	1,046,700
Half-year ended 30 June 2022				
Opening net book amount	907,315	92,802	46,583	1,046,700
Additions	699,986	-	-	699,986
Derecognition of right-of-use assets	-	(9,181)	-	(9,181)
Principal repaid	(299,267)	(21,126)	(14,650)	(335,043)
Exchange rate differences	20,901	2,725	-	23,626
Closing net book amount	1,328,935	65,220	31,933	1,426,088
At 30 June 2022				
Current lease liabilities	617,609	42,643	31,933	692,185
Non-current lease liabilities	711,326	22,577	-	733,903
Total	1,328,935	65,220	31,933	1,426,088

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

14. OTHER FINANCIAL LIABILITIES

	30 JUNE 2022 \$	31 DECEMBER 2021 \$
Current		
Embedded derivatives	300,602	581,136
	300,602	581,136
Non-current		
Warrant	1,553,107	1,210,398
	1,553,107	1,210,398

The embedded derivatives are associated with the Convertible notes issued in 2021 (refer to note 15).

Refer to note 16 for information about the fair value of the above financial liabilities.

15. BORROWINGS

	30 JUNE 2022 \$	31 DECEMBER 2021 \$
Current		
Convertible notes	2,682,740	5,236,539
Capitalised transaction costs	(40,583)	(553,774)
	2,642,157	4,682,765

The convertible notes are a component of the Mercer Street Global Opportunity Fund, LLC funding package which was entered into in the prior year. As disclosed in note 19(b)(iv), on 17 May 2022, 1,620,000 convertible notes were converted into 116,883 shares and on 1 June 2022, 1,080,000 convertible notes were converted into 71,571 shares. The remaining convertible notes were partly converted and partly repaid post 30 June 2022 (refer to note 22).

16. FINANCIAL INSTRUMENTS

The fair value of financial assets and liabilities and their levels in the fair value hierarchy are set out below. The definition of the fair value levels are the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2021. The table does not include carrying amounts of other financial assets and liabilities not measured at fair value as the carrying amounts are a reasonable approximation of their fair values.

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
30 June 2022					
<i>Liabilities</i>					
Convertible notes – embedded derivative component	14	-	300,602	-	300,602
Warrant	14	-	1,553,107	-	1,553,107
Total liabilities		-	1,853,709	-	1,853,709
31 December 2021					
<i>Liabilities</i>					
Convertible notes – embedded derivative component	14	-	581,136	-	581,136
Warrant	14	-	1,210,398	-	1,210,398
Total liabilities		-	1,791,534	-	1,791,534

The warrant is valued using a Black-Scholes model that incorporates a share price hurdle and a discounted cashflow methodology.

The embedded derivative component of the convertible notes are valued using Monte Carlo simulations that use risk neutral valuation techniques and sampling procedures to calculate the expected payoffs from the convertible notes under a range of different outcomes.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

17. SHARE BASED PAYMENTS

(a) Share Options

Employee share options

The Anteris Employee Incentive Plan (EIP) was approved by shareholders at the 2017, 2020 and 2022 Annual General Meetings. Eligible employees can participate in the Plan.

The key terms of the EIP Options include:

- Options are issued to selected Eligible Employees for nil cost;
- The allotment of options is at the discretion of the Board of Directors;
- Shares allotted on the exercise of the options are to be issued at an exercise price determined by the Board in its absolute discretion;
- Options vest in three equal tranches over 1, 2 and 3 years subject to the holder still being employed by the Group;
- Options expire 5 years after the grant date under the new plan, and 10 years under the old plan;
- All options expire on the earlier of their expiry date or 90 days after the termination of the individual's employment;
- Options are unlisted and not transferable unless the Directors in their absolute discretion agree to a transfer; and
- Options carry no dividend rights or voting rights.

The Company granted 35,750 EIP options during the six months to 30 June 2022 (six months to 30 June 2021: 4,750) which were split as follows:

- 11,750 options at an exercise price of \$17.23
- 2,750 options at an exercise price of \$17.11
- 21,250 options at an exercise price of \$22.01

3,685 EIP options were cancelled or lapsed during the six months to 30 June 2022 (six months to 30 June 2021: 2,250). 3,672 EIP options were exercised during the period (six months to 30 June 2021: 84).

Director share options

On 13 June 2022 following approval by shareholders at the Annual General Meeting on 25 May 2022, the Company issued:

- A. 418,778 options with an exercise price of \$12.96 per share to the following Directors:
- John Seaberg (Chair) – 80,000 options
 - Wayne Paterson (CEO) – 258,778 options
 - Stephen Denaro (Non-Executive Director and Company Secretary) – 40,000 options
 - Wenyi Gu (Non-Executive Director) – 40,000 options
- B. 41,222 options with an exercise price of \$9.48 per share to Wayne Paterson.

The above Director share options expire after 5 years, vest in three tranches on the completion of at least 12, 24 and 36 months of service commencing 1 January 2022. These options were not awarded as part of the existing Employee Incentive Plan.

(b) Fair Value of Options Granted

Employee share options and Director share options

The fair value of the above listed EIP and Director options issued during the period has been determined using a Black-Scholes option pricing model that considers the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option based on government bonds. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information. There were no performance conditions attached to the Director options issued.

The weighted average inputs (based on number of options granted) used in the measurement of the fair values of the above listed options at grant date were as follows:

	Director options (A)	Director options (B)	EIP options
Fair value per option at grant date	\$10.64	\$11.73	\$13.44
Share price at grant date	\$17.00	\$17.00	\$22.41
Exercise price	\$12.96	\$9.48	\$20.06
Expected volatility	80.0%	80.0%	81.6%
Expected life	3.5 years	3.5 years	3.5 years
Risk-free interest rate	2.8%	2.8%	2.7%

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

18. CONTINGENCIES

There were no changes in contingent asset or liabilities in relation to the current reporting period.

19. CONTRIBUTED EQUITY

(a) Share Capital

	NUMBER		\$	
	30 JUNE 2022	31 DECEMBER 2021	30 JUNE 2022	31 DECEMBER 2021
Ordinary shares, fully paid	13,817,563	11,093,845	210,004,671	172,638,045

(b) Movements in Ordinary Share Capital

	Date	Notes	No. shares	\$ per share	\$
Balance	31 DEC 2021		11,093,845		172,638,045
Exercise of unlisted options		(i)	634,425	10.00	6,344,250
Exercise of unlisted options		(i)	57,167	11.50	657,420
Exercise of unlisted EIP options		(ii)	3,672	4.96	18,204
Share placement		(iii)	1,840,000	15.00	27,600,000
Exercise of convertible notes		(iv)	116,883	15.10	1,764,933
Exercise of convertible notes		(iv)	71,571	20.60	1,474,363
Transaction costs					(492,544)
Balance	30 JUNE 2022		13,817,563		210,004,671

(i) Exercise of unlisted options

During the period, external investors exercised the following options:

- 634,425 unlisted options were exercised for \$10.00 per share raising \$6,344,250.
- 57,167 unlisted options were exercised for \$11.50 per share raising \$657,420.

(ii) Exercise of unlisted EIP options

During the period, 3,672 unlisted options issued under the Anteris Employee Incentive Plan were exercised at a weighted average exercise price of \$4.96 per share.

(iii) Share placement

On 2 March 2022, 1,840,000 new shares were issued to Perceptive Life Sciences Master Fund, Ltd at \$15.00 per share for total consideration of \$27,600,000.

(iv) Exercise of convertible notes

On 17 May 2022, 116,883 new shares were issued to Mercer Street Global Opportunity Fund ('Mercer') upon conversion of 1,620,000 convertible notes using a conversion price of \$13.86 per share.

On 1 June 2022, 71,571 new shares were issued to Mercer upon conversion of 1,080,000 convertible notes using a conversion price of \$15.09 per share.

The conversion price used for the above was 90% of the volume weighted average price of the shares for the five trading days on which the shares traded in the ordinary course of business on the ASX ending on the date immediately prior to issue of a relevant conversion notice.

Upon settlement of the convertible note through the issuance of equity instruments, the difference between the carrying amount of the financial liabilities and the fair value of the equity instruments issued has been recognised in the consolidated statement of profit or loss as fair value movement of derivatives.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

20. EQUITY – RESERVES

	30 JUNE 2022 \$	31 DECEMBER 2021 \$
Share based payments	8,946,868	7,097,424
Other reserves	(6,885,884)	(6,885,884)
Foreign currency translation reserve	(1,082,494)	(822,108)
	978,490	(610,568)

Share based payments reserve

Refer to note 17 for details of movements in the reserve during the period.

21. RELATED PARTY TRANSACTIONS

Transactions with key management personnel

During the year, the Directors were granted options. Refer to note 17 for details.

All other remuneration items remained unchanged.

Other related party transactions

The Company's controlled subsidiary, Admedus Singapore Pte Ltd, changed its name during the period to Anteris Technologies Asia Pte Ltd.

Other than the items noted above, there were no new significant transactions with related parties during the period.

22. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 1 August 2022, Mercer Street Global Opportunity Fund, LLC (Mercer) converted 1,350,000 of its third tranche of convertible notes with a face value of \$1,350,000 into 58,926 ordinary shares. The remaining portion of the third tranche of convertible notes with a face value of \$1,350,000 was repaid in cash on 3 August 2022.

Other than the above event, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

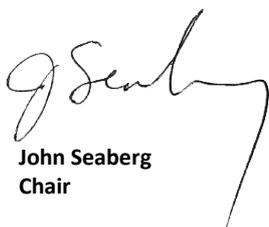
DIRECTORS' DECLARATION

In the opinion of the Directors of the Company:

1. The consolidated interim financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards, including Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001*, other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the half-year ended on that date;
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001* for the interim reporting period ended 30 June 2022.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



John Seaberg
Chair

Dated 24 August 2022



Independent Auditor's Review Report

To the shareholders of Anteris Technologies Ltd

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Anteris Technologies Ltd.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Anteris Technologies Ltd does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 30 June 2022;
- Condensed consolidated statement of profit or loss, Condensed consolidated statement of other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the Half-year ended on that date;
- Notes 1 to 22 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Anteris Technologies Ltd (the Company) and the entities it controlled at the Half-year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to Note 5, "Going Concern" in the Interim Financial Report. The events or conditions disclosed in Note 5 indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Interim Financial Report. Our conclusion is not modified in respect of this matter.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30 June 2022 and its performance for the Half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



KPMG



Stephen Board
Partner

Brisbane
24 August 2022