

# ASX ANNOUNCEMENT

27 January 2022

## QUARTERLY ACTIVITY REPORT FOR THE PERIOD TO 31 DECEMBER 2021

**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 31 December 2021 (Q4, 2021).

### Highlights

- First five patients implanted with Anteris' DurAVR™ THV system at the Tbilisi Heart and Vascular Clinic, Tbilisi, Georgia without any complications and demonstrating superior haemodynamic performance at 7 days post implant.
- Patient observations are ongoing with further results to be released post endpoints.
- Final chronic animal study for the FDA early feasibility study submission completed with preliminary findings in line with expectations.
- Partnership agreements signed with IQVIA Inc and the Cardiovascular Research Foundation enabling quick progress on further early feasibility studies.
- \$18,961,672 raised via the exercise of 2,370,209 listed options (ASX: AVRO).
- \$5 million raised from 625,000 new shares issued to funds managed or advised by Melbourne-based global investor L1 Capital.

### COMMENTARY ON THE QUARTER

In November, Anteris commenced its first-in-human study to assess its DurAVR™ THV system for the treatment of aortic stenosis at the Tbilisi Heart and Vascular Clinic, Tbilisi, Georgia. The first five TAVR patients were successfully implanted without complications and a superior haemodynamic performance observed.

The study was designed to assess the following performance endpoints:

- Correct positioning of the DurAVR™ valve at the proper anatomical location, and
- Haemodynamic performance.

As well as safety endpoints (30 days and 1 year):

- All-cause mortality,
- Myocardial infarction,
- Stroke/disabling, and
- Life threatening bleeding.

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Follow up reporting at seven days post implantation showed all five patients recording excellent performance status.

Too, Anteris completed its final chronic animal study required for the FDA early feasibility study (EFS) submission on its proposed US TAVR clinical trial.

Preliminary findings from the study showed:

- DurAVR™ THV had fully functioning leaflets and haemodynamics resulting in zero mortalities within the study; and
- DurAVR™ valve functioned well for the study's duration, including under the following criteria:
  1. Healing characteristics (e.g., pannus formation, tissue overgrowth),
  2. Effect of post implantation changes in shape and structural components (eg, the presence of device angulation, bends, kinks) on haemodynamic performance,
  3. Haemolysis,
  4. Thrombus formation,
  5. Embolization of material from the implant site, delivery device or heart valve substitute, migration or embolization of the heart valve substitute,
  6. Biological response (eg, inflammation, calcification, thrombosis, rejection and other unexpected interactions with tissues),
  7. Interaction with surrounding anatomical structures (eg, leaflets, annulus, subvalvular apparatus), and
  8. Structural valve deterioration and/or non-structural valve dysfunction.

These preliminary findings exceeded the Company's expectations and, after final analysis, will be submitted to the FDA for approval to begin an in-human study in the USA.

To ensure the Company remains poised to progress with its FDA early feasibility studies quickly, it partnered with IQVIA Inc and the Cardiovascular Research Foundation. IQVIA will be responsible for clinical data monitoring, project and site management, data management and safety. CRF will provide core lab services for the Study (echo CT) and the independent Clinical Events Committee.

Anteris also retained a strong presence at leading international cardiovascular innovation conferences and was accepted into the 2021 Transcatheter Cardiovascular Therapeutics (TCT) innovation session in Orlando, Florida and the PCR London Valves (PCR LV) innovation session.

These prestigious conferences, attended by renowned interventional cardiologists, cardiac surgeons, imaging specialists and industry partners, provide widespread exposure and significant potential future commercial opportunities for the Company's pioneering products.

## CASH RECEIPTS AND CASHFLOW

The closing cash balance as at 31 December 2021 was \$21.3M, up \$16.6M from 30 September 2021, and included:

- Net operating cash outflows of \$5.4M, including staff costs of \$3.0M, administration and corporate costs of \$1.7M, product manufacturing and operating costs of \$0.6M and research and development investment of \$3.1M. This was partly offset by customer receipts of \$3M;
- Investing cash outflows of \$0.1M primarily relate to IT and laboratory equipment acquisitions; and
- Financing cash inflow of \$22.2M including proceeds from the issue of ordinary share capital and options (\$24.0M) offset by transaction costs. Anteris repaid a total of \$1.6M to clear the SIO Partners, LP debt.

## CORPORATE ACTIVITY

Anteris raised \$23,961,672 through the new equity issued during the December quarter. The proceeds are to drive further development and clinical activities for DurAVR™ aortic heart valve and ComASUR™ transfemoral delivery system to unlock commercial and clinical opportunities across key global markets.

Anteris raised \$18,961,672 on the exercise of 2,370,209 listed options (ASX: AVRO) at \$8.00 per Option in late December. \$15,376,512 came from existing option holders with Evolution Capital Pty Ltd taking up the \$3,585,160 shortfall under an underwriting agreement with the Company.

Anteris also issued 625,000 new ordinary shares at \$8 each to funds managed or advised by Melbourne-based global investor L1 Capital, raising \$5 million. The transaction included the issue of 500,000 initial unlisted Options, expiring 4 months after issue, exercisable at \$10 each and 330,000 unlisted 2-year Options exercisable \$15 apiece.

## 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 reproduce consistent life-changing outcomes for patients.

Anteris' DurAVR™ 3D single-piece aortic heart valve replacement addresses the needs of tomorrow'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:**

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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")**

31 December 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,029	8,299
1.2 Payments for		
(a) research and development	(3,111)	(7,436)
(b) product manufacturing and operating costs	(616)	(1,612)
(c) advertising and marketing	(84)	(478)
(d) leased assets	-	-
(e) staff costs	(2,995)	(12,895)
(f) administration and corporate costs	(1,678)	(6,047)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid	(45)	(243)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	105	1,598
1.8 Other	-	-
-proceeds from licence for sterilisation process		
-gain on derivative contract		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(5,393)</b>	<b>(18,810)</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(83)	(760)
(d) investments	-	(400)
(e) intellectual property	-	-
(f) other non-current assets	(12)	(12)
2.2 Proceeds from disposal of:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	2	10
(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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(93)</b>	<b>(1,162)</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	5,000	17,878
3.2 Proceeds from issue of convertible debt securities	-	5,000
3.3 Proceeds from exercise of options	18,962	18,968
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(79)	(1,581)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(1,571)	(2,791)
3.7 Transaction costs related to loans and borrowings	-	(27)
3.8 Dividends paid	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
3.9	Other (provide details if material)	(151)	(539)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>22,161</b>	<b>36,908</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,673	4,354
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,393)	(18,810)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(93)	(1,162)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	22,161	36,908
4.5	Effect of movement in exchange rates on cash held	(48)	10
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>21,300</b>	<b>21,300</b>

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	21,211	4,584
5.2	Call deposits	89	89
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>21,300</b>	<b>4,673</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>	
6.1	Aggregate amount of payments to related parties and their associates included in item 1 -director fees and CEO remuneration		356
6.2	Aggregate amount of payments to related parties and their associates included in item 2		-
<i>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.</i>			
<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	9,753	6,036
7.4	<b>Total financing facilities</b>	9,753	6,036
7.5	<b>Unused financing facilities available at quarter end</b>		3,717
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:			
<ul style="list-style-type: none"> <li>a) Convertible notes to Mercer Street Global Opportunity Fund, LLC (Mercer) with a face value of \$5.4M. 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 notes is disclosed below: <ul style="list-style-type: none"> <li>o The first tranche of \$1.62M* 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 \$2.50. Expiry 19 May 2022.</li> <li>o The second tranche of \$1.08M* 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 \$2.50. Expiry 12 August 2022.</li> <li>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.</li> </ul> </li> </ul>			



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.

\*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)	(5,393)
8.2	Cash and cash equivalents at quarter end (item 4.6)	21,300
8.3	Unused finance facilities available at quarter end (item 7.5)	3,717
8.4	Total available funding (item 8.2 + item 8.3)	25,017
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.6

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

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

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

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: 27 January 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 effectively.