



# ANTERIS TECHNOLOGIES

Q4 Results:

Fresh Funds Available, Trials Progressing Well

Update Note

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## Sixth patient implanted in SAVR trial

Anteris Technologies reported 12-month revenues and cash on hand as at 31 December 2020 of A\$7.1m and A\$4.4m, respectively, broadly consistent with our expectations. With fresh funds and imminent readout of a key animal study (rat study of the heart valve) and ongoing updates from the SAVR trial, the company remains on track for compiling findings required for its early feasibility study submission to the FDA in 2021. The recent selection of the DurAVR™ valve as “Best Innovation” at the prestigious PCR London Valves conference raises the profile of the program amongst key interventional cardiology opinion leaders and bodes well for future adoption in TAVR settings subject to ongoing positive trial results.

## New funds extend R&D runway to end FY21

On 6 January 2021, Anteris unveiled a A\$20m funding package comprised of new shares (A\$1m), convertible note (A\$1.5m plus A\$1m subject to shareholder approval) and a discretionary drawdown facility provided by New York-based Mercer Street Global Opportunity Fund, LLC (up to A\$16.5m).

## SAVR trial progresses despite COVID-19 delays

Progress continues with the first-in-human trial despite COVID-19 delays. A total of six patients have now been successfully implanted in the first-in-human trial of the DurAVR™ valve which commenced in March 2020 at the Leuven University Hospital in Belgium. Subject to COVID-19 delays, Anteris expects the remaining nine patients to be implanted with the replacement valve during 2021. The 15-patient trial follows an earlier favourable sheep trial of the valve and aims to evaluate the safety and performance of the ADAPT® valve in adult patients requiring replacement of the aortic valve.

## Key animal study results imminent

In May 2020, the company commenced animal studies to compare anti-calcification properties with commercially available valves in rats. We expect the 8-month point will be reached by the end of January with readout release in March 2021. The rat study was followed in June 2020 by the first feasibility study of the DurAVR™ valve implanted via catheter in pigs. This study was designed to inform deployment and anchoring of the valve in human settings and is according to management progressing well in accordance with the objectives of the study.

## Valuation

Our valuation of Anteris Technologies remains unchanged pending release of full set FY20 accounts at ~A\$133m, or ~A\$23 per share (undiluted), using a risk-adjusted net present value (rNPV) method to discount future cash flows through to FY2030.



Anteris is an Australian structural heart med tech company focused on developing medical products and technologies with improved clinical outcomes and durability using its proprietary engineered bovine tissue platform ADAPT. The first-in-human SAVR clinical trial, currently underway, is assessing the performance of the company’s proprietary DurAVR™ valve, an ADAPT single-piece 3D aortic valve, in patients undergoing surgical aortic valve replacement for the treatment of aortic stenosis. Anteris recently implanted the DurAVR™ valve into the first three of nine animals via catheter as part of a TAVR feasibility study ahead of an FDA submission for use in a human clinical trial in 2021.

Stock	AVR
Price	\$5.02
Market cap	\$33m

Company data	
Cash on hand	A\$4.4m (31 Dec 2020)
Shares on issue	6.6m (28 January 2021)

Next steps	
Rat calcification study: 8-month readout	



## Exhibit 1 – Summary financial statements\*

Financial Summary (AUD 000's)	FY18a	FY19a	FY20e	FY21e	FY22e	FY23e
<b>PROFIT &amp; LOSS</b>						
Total Revenue	25,601	17,075	7,042	6,802	7,483	8,231
Other income* (includes licencing revenue)	111	25,490	3,264	56,593	1,037	30,765
Cost of sales	-13,163	-8,773	-5,296	-4,762	-5,238	-5,762
Operating expenses	-37,248	-39,974	-23,324	-24,402	-16,386	-12,820
EBITDA	-25,884	-5,032	-17,458	35,242	-12,190	21,420
EBIT	-27,295	-6,649	-18,176	34,557	-12,849	20,782
Tax	0	0	0	0	0	0
NPAT (Reported)	-25,168	-6,325	-18,314	34,231	-13,104	20,415
NPAT (Underlying)	0	0	0	0	0	0
Minority Interest	-482	-362	0	0	0	0
Shares Outstanding (m)	589.9	590.8	590.8	590.8	590.8	590.8
EPS (Underlying) cps	-7.93	-0.99	-3.10	5.79	-2.22	3.46
Dividend per share (cps)	0	0	0	0	0	0
<b>BALANCE SHEET</b>						
Current Assets	22,920	20,583	12,487	46,903	33,957	54,509
Cash	12,036	8,968	872	35,289	22,343	42,895
Receivables	4,192	9,802	9,802	9,802	9,802	9,802
Inventory	6,692	1,812	1,812	1,812	1,812	1,812
Other Assets	0	0	0	0	0	0
Non-Current Assets	8,940	5,421	5,203	5,018	4,859	4,721
PP&E	3,475	1,590	1,511	1,454	1,413	1,383
Intangible assets	5,466	1,699	1,560	1,432	1,315	1,207
Other Non-current Assets	0	2,131	2,131	2,131	2,131	2,131
Current Liabilities	8,770	7,302	7,302	7,302	7,302	7,302
Payables	6,783	4,921	4,921	4,921	4,921	4,921
Short Term Debt	0	1,113	1,113	1,113	1,113	1,113
Provisions & Tax	1,587	528	528	528	528	528
Other financial liabilities	400	740	740	740	740	740
Non-Current Liabilities	1,611	3,167	3,167	3,167	3,167	3,167
Long Term Debt	0	0	0	0	0	0
Provisions	0	603	603	603	603	603
Other financial liabilities	1,611	2,564	2,564	2,564	2,564	2,564
Net Assets	3,629	15,535	7,221	41,452	28,347	48,762
Share Capital	137,737	137,758	147,758	147,758	147,758	147,758
Reserves	-2,941	-2,724	-2,724	-2,724	-2,724	-2,724
Retained Earnings	-113,678	-119,498	-137,812	-103,581	-116,686	-96,271
Minority Interests	362	0	0	0	0	0
Total Equity	21,479	15,535	7,221	41,452	28,348	48,762
<b>CASH FLOW</b>						
Operating Cash Flow	-22,205	-22,867	-17,596	34,916	-12,446	21,052
Working Capital Change	3,927	-6,663	5,783	0	0	0
Maintenance Capex	-611	-67	-500	-500	-500	-500
Expansion Capex	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0
Investing Cash Flow	-1,011	20,573	-500	-500	-500	-500
Equity Issued	35,411	0	0	10,000	0	0
Debt Issued	5,000	1,000	0	0	0	0
Dividends	0	0	0	0	0	0
Financing Cash Flow	27,149	9	10,000	0	0	0
Change in Cash Balance	3,933	-2,286	-8,096	34,416	-12,946	20,552

Source: Anteris, MST Access\* December fiscal year end, forecasts remain unchanged pending the release of full set of financial accounts

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