

Raising DurAVR™ valve’s clinical profile

Leading cardiac surgeon and key member of the Anteris Medical Advisory Board, Dr Michael Reardon, from the Houston Methodist Hospital in Texas, recently [presented](#) a comprehensive review of the DurAVR™ valve at a major European meeting for the international interventional cardiovascular community in a segment entitled - “Next-generation TAVR device will enable lifetime management of aortic stenosis patients”. The material highlighted important features of the DurAVR™ valve development program from a cardiac surgeon’s perspective including the hemodynamic attributes, extended durability of the valve and its ComASUR™ Transfemoral Delivery System containing a novel alignment feature which recently showed technical feasibility in animal studies.

ComASUR™ delivery system shown feasible in animals.

Anteris has demonstrated the feasibility of the DurAVR™ valve when coupled with its proprietary and novel ComASUR™ Transfemoral Delivery System in a series of animal studies. The studies showed how the alignment features of the ComASUR™ delivery system helped with the ability to navigate the arterial vascular system through the aortic arch to the aortic valve for replacement by the DurAVR™ valve. Post-implant echocardiography and CT scan confirmed the functionality of the DurAVR™ valve with stable positioning and good hemodynamic function. Combined with the unique characteristics of the ADAPT® tissue, innovative design of the DurAVR™ valve, the delivery system represents a key component in the company’s goal of advancing a completely proprietary TAVR delivery system into human trials and an important addition to the FDA submission for Early Feasibility Study planned for CY21.

SAVR trial progresses despite COVID-19 delays

Progress continues with the first-in-human surgical aortic valve replacement (SAVR) trial despite COVID-19 delays. The 15 patient trial involves the implantation of the DurAVR™ valve using traditional open-heart surgery which commenced in March 2020 at the Leuven University Hospital in Belgium. Subject to COVID-19 delays, Anteris expects to complete implanting all 15 patients 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 adults requiring replacement of the aortic valve.

Valuation

Our valuation of Anteris Technologies is pegged 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. This incorporates a probability of success adjustment of 32% and, DurAVR™ valve/ComASUR™ delivery kit pricing of US\$33,000.



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 demonstrated the feasibility of the DurAVR™ valve when coupled with its proprietary and novel ComASUR™ Transfemoral Delivery System in a series of animal studies.

Stock	AVR
Price	A\$8.00
Market cap	A\$53m
Valuation	A\$23.00 per share

Near term catalysts

2HCY21 EFS submission to FDA

AVR Share Price (AS)



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Exhibit 1 – Summary financial statements*

Financial Summary (AUD 000's)	FY18a	FY19a	FY20a	FY21e*	FY22e	FY23e
PROFIT & LOSS						
Total Revenue	25,601	17,075	7,079	6,802	7,483	8,231
Other income* (includes licencing revenue)	111	25,490	4,800	56,593	1,037	30,765
Cost of sales	-13,163	-8,773	-2,723	-4,762	-5,238	-5,762
Operating expenses	-37,248	-39,974	-24,430	-24,402	-16,386	-12,820
EBITDA	-25,884	-5,032	-13,732	35,334	-12,129	21,459
EBIT	-27,295	-6,649	-14,945	34,750	-12,656	20,975
Tax	0	0	0	0	0	0
NPAT (Reported)	-25,168	-6,325	-14,531	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	591.3	591.3	591.3	591.3
EPS (Underlying) cps	-7.93	-0.99	-2.58	5.79	-2.22	3.45
Dividend per share (cps)	0	0	0	0	0	0
BALANCE SHEET						
Current Assets	22,920	20,583	8,093	42,619	29,753	50,363
Cash	12,036	8,968	4,354	38,881	26,015	46,625
Receivables	4,192	9,802	1,585	1,585	1,585	1,585
Inventory	6,692	1,812	693	693	693	693
Other Assets	0	0	1,460	1,460	1,460	1,460
Non-Current Assets	8,940	5,421	4,559	4,263	4,024	3,829
PP&E	3,475	1,590	1,372	1,205	1,083	996
Intangible assets	5,466	1,699	1,416	1,288	1,171	1,063
Other Non-current Assets	0	2,131	1,770	1,770	1,770	1,770
Current Liabilities	8,770	7,302	7,839	7,839	7,839	7,839
Payables	6,783	4,921	4,013	4,013	4,013	4,013
Short Term Debt	0	1,113	2,554	2,554	2,554	2,554
Provisions & Tax	1,587	528	473	473	473	473
Other financial liabilities	400	740	800	800	800	800
Non-Current Liabilities	1,611	3,167	2,405	2,405	2,405	2,405
Long Term Debt	0	0	0	0	0	0
Provisions	0	603	638	638	638	638
Other financial liabilities	1,611	2,564	1,767	1,767	1,767	1,767
Net Assets	3,629	15,535	2,407	36,638	23,533	43,948
Share Capital	137,737	137,758	138,740	138,740	138,740	138,740
Reserves	-2,941	-2,724	-1,560	-1,560	-1,560	-1,560
Retained Earnings	-113,678	-119,498	-134,773	-100,542	-113,646	-93,232
Minority Interests	362	0	0	0	0	0
Total Equity	21,479	15,535	2,407	36,638	23,534	43,948
CASH FLOW						
Operating Cash Flow	-22,205	-22,867	-14,373	34,815	-12,577	20,898
Maintenance Capex	-611	-67	-289	-289	-289	-289
Expansion Capex	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0
Investing Cash Flow	-1,011	20,573	7,763	-289	-289	-289
Equity Issued	35,411	0	1,068	0	0	0
Debt Issued	5,000	1,000	1,220	0	0	0
Dividends	0	0	0	0	0	0
Financing Cash Flow	27,149	9	1,893	0	0	0
Change in Cash Balance	3,933	-2,286	-4,717	34,527	-12,866	20,610

Source: MST Access, * Includes licencing revenue assumption used in valuation

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