

Anteris Technologies Ltd

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Admedus reports \$6.3 million revenues amid \$12.7 million Star Bright backing

Admedus Ltd (ASX:AHZ) (OTCMKTS:AMEUF) wrote \$6.3 million in revenues in the September 2018 financial quarter after raising \$7.7 million from cornerstone investor Star Bright Holding Ltd this year.

A \$3.425 million sum was received from equity investor Zhang Lishan's wholly-owned investment vehicle Star Bright in the September quarter.

READ: Admedus appoints Steve Denaro to the board

Strategic cornerstone investor Star Bright now holds about 19.99% of Admedus, which the Hong Kong investor has built up this year.

The Queensland company, which has a market capitalisation of \$47.6 million, also attracted a three-year unsecured \$5 million loan facility with a 5% annual coupon from its strategic investor.

Admedus' latest facility allowed it to pay off a higher interest Partners for Growth facility that had a \$10 million face value.

Star Bright's support has allowed Admedus to progress a medical technologies strategy to allow it to expand and progress its strategic projects while it worked to accelerate its 3D product portfolio from development to commercialisation.

Admedus is pleased to have received regulatory approval for #CardioCel in Vietnam and #CardioCel3D in the United Arab Emirates. Read more here — <https://t.co/LIWd3oAOq1> pic.twitter.com/MjkVNDaGZu

— Admedus (@Admedus) September 13, 2018

The Milton, Brisbane-based medical technologies company has operations in Singapore, Geneva and Minneapolis and is undertaking a strategic review and recapitalisation plan.

Its securities have been suspended from quotation since August 6, 2018, with the extension being extended on September 3, 2018 at the company's request as it finalised a "broader recapitalisation plan".

Admedus chief executive officer Wayne Paterson said in September that Zhang and Star Bright were "aligned with our mission to deliver clinically superior solutions to patients."

He said in May, "Since the implementation of our new strategy, the company has worked diligently across all areas to improve efficiencies, reduce expenses and elevate the reputation and credibility of the business within the global medtech sector."

Price: 3.99

Market Cap: \$23.58 m

1 Year Share Price Graph



Share Information

Code: AVR

Listing: ASX

52 week High Low
7.5 3.03

Sector: Pharma & Biotech

Website: anteristech.com

Company Synopsis:

Anteris Technologies Ltd (ASX:AVR) is a structural heart company delivering clinically superior solutions that help healthcare professionals create life-changing outcomes for patients.

action@proactiveinvestors.com

READ: Admedus secures strategic cornerstone investor from Hong Kong

Star Bright and Admedus are currently negotiating a long-term funding agreement for the company's vaccines subsidiary Admedus Immunotherapies.

An execution of their recent memorandum of understanding (MoU) for the vaccines business would see Star Bright take a 60% share in the Admedus subsidiary for an initial investment of \$18 million.

Admedus today announced HK-based strategic investor, Star Bright Holding Ltd, will increase its investment in the Company to 19.99% and nominate new representatives to the BOD. Read the full ASX Announcement here — <https://t.co/gZ6wqaLO6h>

— Admedus (@Admedus) September 3, 2018

Revenue generators

Admedus ADAPT technology is one of its major income earners, with the other being its infusion division business.

ADAPT underpins the company's CardioCel bio-scaffold material which is used to repair congenital heart deformities and more complex heart defects.

The bio-scaffold is also used to reconstruct dysfunctional heart valves and valve leaflets.

Other uses include arch repair; pulmonary valve annulus transannular patching; aortic root expansion/repair; intracardiac baffles; right ventricular outflow tract reconstruction; great vessel reconstruction; and addressing holes in the heart, such as those seen in atrial septal defects (ASDs) and ventricular septal defects (VSDs).

CardioCel is cleared for sale in Europe, the US, Canada, Hong Kong, Malaysia, Singapore, New Zealand, India and Middle East and North Africa region.

A July deal with Italy-based Medical Instruments S.p.A allowed the partner to exclusively market and distribute the product in the European Union (EU) nation.

@Admedus was pleased to take part in the 7th Congress of the Asia Pacific Paediatric Cardiac Society where our KOLs presented the benefits of #adapt and #cardiocel and hosted a special Asia Pacific Congenital Heart Experts meeting. pic.twitter.com/gBnyjbEx52

— Admedus (@Admedus) September 4, 2018

Admedus reported ADAPT sales grew by 63% to \$3.1 million in the September 2018 financial quarter when compared to the previous corresponding period, driven by US, EU and emerging market growth, and favourable exchange rate movements.

The company's European ADAPT business experience 24% growth when compared to the previous corresponding period after four consecutive quarters of decline despite delays to regulatory approvals in the region and emerging markets.

Admedus' North American ADAPT business delivered strong 80% sales growth in the September quarter when compared to the previous corresponding period, as the company prepared to launch an expanded ADAPT 3D portfolio in the US expected early on in the fourth quarter.

The company reported in its September 2018 quarter report: "These launches (to surgeons) represent an important milestone in our product portfolio as we strengthen our offerings and execute the strategy to pursue additional indications where high unmet need requires a durable scaffold and complex shapes.

"Across all three segments — coronary heart disease, vascular, and adult structural heart — 18 new accounts were opened (last quarter).

"This resulted in double-digit growth across our product portfolio, including CardioCel 3D and VascuCel."

Another product based on the ADAPT technology is CardioCel Neo.

The Infusion division meanwhile delivered \$3.2 million sales of for the quarter, a 3% growth compared to the previous corresponding period.

We loved taking part in the recent @MLH_CHD symposium! Meeting those affected by #chd motivates us to keep finding innovative #ADAPT solutions and treatment options. Thanks to our team member Jackie Ingram who did a great job representing #AHZ! <https://t.co/8BrnJXtLrx>

— Admedus (@Admedus) July 25, 2018

During the period GO Medical's contract was terminated and Admedus renewed its exclusive distribution agreement with Summit Medical for an eight-year period.

Admedus wrote in its quarterly report released on October 31, 2018, "The performance of the Infusion business this quarter reflects the near full impact of our previous announcement regarding the termination of our distribution agreement with GO Medical.

"Performance during the quarter reflects underlying growth which substantially offsets the impact of the GO Medical contract termination."

Earlier in the year, in the July quarter, Admedus renewed its exclusive distributorship agreement with Utah-based Summit Medical Products Inc that will allow it to continue distributing the US partner's medication and pain-relief ambIT infusion pumps in Australia and New Zealand.

\$AHZ Admedus extends successful distribution deal for medication delivery pumps <https://t.co/dkQ5zDmji3> via @proactive_au @ADMEDUS #AHZ #brighterir #Doporto #CapitalNetwork1

— Proactive Investors (@proactive_au) August 9, 2018

Pipeline project

Admedus is progressing a transcatheter aortic valve replacement (TAVR) project which it reported in late October "continues to progress with the advisory board unanimously endorsing the acceleration of this groundbreaking product."

The company's project team is hitting milestones ahead of schedule, achieving key outcomes during the September 2018 quarter.

By using its ADAPT cardiac shaping technology and its precision thinning technology Admedus produced what it calls the first single-piece heart valves "from significantly thinner tissue than what is currently available".

The company also progressed the engineering of its placement and deployment mechanisms, lodging three patents for along a catheter and one for a valve deployment mechanism.

Admedus is taking a partnership approach to the project's development and commercialisation, identifying key target partners.

Members of the company's advisory board have contacted the prospective project partners, pencilling in discussions for the December 2018 quarter.

The TAVR market is worth about US\$3.5 billion a year and is expected to grow to US\$5 billion by 2020.

Admedus Sees Success with Initial Live Animal Testing of #3DPrinted TAVR Heart Valve <https://t.co/N2ZpoHI8i3#3Dprinting> @Admedus

— 3DPrint (@3DPrint_com) July 12, 2018

Expansion to China and research plans

Admedus is looking to establish a commercial base in China with Star Bright's help.

The company has reported it has started negotiations with the strategic partner, saying "A JV with a credible partner, and additional resources, will enable Admedus to enter the market in a way that was not previously possible and allow for the shared cost of the upcoming ADAPT product registration study."

A meta-analysis of a series of 600 patients and 830 implants enrolled in a multicentre study in Australia and the UK was completed in the September 2018 quarter.

The company said it had "demonstrated superior results across the entire spectrum of indications within congenital heart defect repair."

Admedus that when compared to research into competing products, the peer-reviewed and presented study results showed a "meaningful clinical benefits for patients and physicians" from its technology.

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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