

Admedus Ltd

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Admedus makes "transformational" sale of CardioCel and VascuCel for \$36.2 million

Admedus Ltd (ASX:AHZ) has made a "transformational" transaction by selling its CardioCel® and VascuCel® patch business to US-based LeMaitre Vascular Inc (NASDAQ:LMAT) for up to \$A36.2 million in cash payments.

The sale includes an upfront payment of \$A22.8 million plus two instalments of \$A1 million each after 12 months and 36 months.

It also includes up to \$A11.4 million on earn-out payments at the current \$US0.67/\$A1 rate, subject to achievement of certain milestones.

"Transformational milestone"

Chief executive officer Wayne Paterson said: "This transaction is a transformational milestone for Admedus, realising the value from its CardioCel® and VascuCel® products.

"Importantly the deal firmly positions the company for its next growth phase anchored by its ground-breaking TAVR program.

"This is what management set out to achieve for shareholders two years ago.

"The partnership strategy was possible only after we built a credible product profile over the past two years.

"We are pleased to transition CardioCel® and VascuCel® to LeMaitre, a bonafide leader in the cardiovascular space, and we anticipate Le Maitre's channel will successfully expand the adoption of these products."

Proprietary technology

The CardioCel® and VascuCel® products originated from the company's proprietary, regenerative bio-scaffold platform technology being used to address multiple cardiovascular procedures and repairs.

The CardioCel® product range is the only one to have achieved 10 years without calcification or degradation in man - a significant benefit to patients otherwise forced to undergo recurrent operations.

VascuCel® is used as a patch in great vessel repair, peripheral vascular reconstruction and suture line buttressing.

Earn-out payments

Under the agreement terms, the company may receive up to \$11.4 million in earn-out payments as follows:

- 3 million on obtaining certain regulatory approvals under European Medical Devices Directorate Regulation;

Price: 0.083

Market Cap: \$49.04 m

1 Year Share Price Graph



Share Information

Code: AHZ

Listing: ASX

52 week High Low
0.105 0.029

Sector: Pharma & Biotech

Website: www.admedus.com

Company Synopsis:

Admedus Ltd (ASX:AHZ) is a diversified healthcare company. .

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- \$700,000 on Admedus completing all testing and documentation to extend the shelf life of the CardioCel® and VascuCel® products from 36 months to at least 60 months in the United States;
- Up to \$3.73 million if gross revenue from LeMaitre CardioCel® and VascuCel® product sales exceed \$44.7 million in the second 12 months or \$1.8 million if gross revenue from product sales exceed \$33.5 million in the second 12 months; and
- \$200,000 for completion of reporting procedures by October 31, 2019.

Paterson said: "The transaction provides a significant injection of non-dilutive capital and streamlines operations with cost reductions from a reduced headcount and operating expense."

ADAPT® IP retained

Admedus retains the entire IP portfolio for ADAPT®, enabling continuation of the product development pipeline.

The transaction transitions Admedus to focus on advancing its Transcatheter Aortic Valve Replacement (TAVR) program and other potential products.

The CEO said, "Admedus is now configured to focus on product innovation led by the TAVR program and other large market opportunities based on its scientifically and commercially validated ADAPT® platform.

"Admedus plans its first-in-human studies for its single-piece 3D aortic valve in 2020.

"Based on Admedus' current laboratory and animal study findings - combined with the highly differentiated anti-calcification properties of all products generated using the ADAPT® technology - there is potential for single-piece 3D aortic valve and TAVR devices to be breakthrough for patients."

LeMaitre Vascular Inc is a provider of devices, implants and services for the treatment of peripheral vascular disease, a condition affecting more than 200 million people worldwide.

The company develops, manufactures and markets disposable and implantable vascular devices to address the needs of its core customer, the vascular surgeon.

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