

ASX ANNOUNCEMENT

28 February 2023

APPENDIX 4E AND PRELIMINARY FINAL REPORT

Anteris Technologies Ltd (ASX: AVR) (Anteris or the Company) releases its Appendix 4E Preliminary final report and commentary for the year ended 31 December 2022.

FINANCIAL SUMMARY:

- Revenues from ordinary activities for the year ended 31 December 2022 were \$4.6M generated from the sale of tissue products.
- The Company recognised other income totalling \$2.1M, including \$1.8M in government grants related to research and development activities.
- Net loss after tax was \$44.3M, primarily reflecting increased research and development expenditure relating to the Group's Transcatheter Aortic Valve Replacement program.
- Year-end cash balance as at 31 December 2022 was \$13.8M. Net cash outflow (pre movements in exchange rates) of \$9.0M for the year reflecting net cash outflows from operating activities of \$39.0M, net cash outflows from investing activities of \$1.4M primarily relating to equipment acquisitions, partly offset by net cash inflows of \$31.4M from a share placement and multiple option conversions.

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 deliver consistent life-changing outcomes for patients.

Anteris' DurAVR™ 3D single-piece aortic heart valve replacement addresses the needs of today'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 Mr Stephen Denaro, Company Secretary.

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Appendix 4E (Rule 4.3a)

Name of entity

Anteris Technologies Ltd

ABN

35 088 221 078

Financial year ended ("current period")

31 December 2022

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	12 months to 31 December 2022 \$'000	12 months to 31 December 2021 \$'000	Change \$'000	Change %
Revenues from ordinary activities	4,590	7,791	(3,201)	(41%)
Loss from ordinary activities after tax	(44,340)	(22,907)	(21,433)	(94%)
Loss for the period attributable to members	(44,340)	(22,907)	(21,433)	(94%)

Dividends	Amount per security	Franked amount per security
Final dividend proposed	NIL ¢	NIL ¢
Interim dividend	NIL ¢	NIL ¢

	31 December 2022	31 December 2021
Net Tangible Asset Backing *	\$0.89	\$1.19

* Net Tangible Assets is calculated as net assets (including Right-of-Use assets) less intangible assets.

Refer to the Directors' report for a review of operations.

Annual General Meeting

The Annual General Meeting is proposed to be held in Brisbane on 29 May 2023.

Audit

The consolidated annual financial statements on which this report is based have been audited by KPMG. The Independent Auditor's opinion is not modified but includes an Emphasis of Matter that a material uncertainty exists that may cast doubt on the entity's ability to continue as a going concern.



ANTERIS TECHNOLOGIES LTD
ABN 35 088 221 078

FINANCIAL REPORT
31 December 2022

CORPORATE DIRECTORY

Directors

John Seaberg	- Chair
Wayne Paterson	- Chief Executive Officer and Managing Director
Stephen Denaro	- Non-Executive Director and Company Secretary
Dr Wenyi Gu	- Non-Executive Director

Company Secretary

Stephen Denaro

Company and Registered Office

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Auditors

KPMG
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71 Eagle Street
Brisbane, Queensland 4000

Solicitors

Jones Day
Level 31, Riverside Centre
123 Eagle Street
Brisbane, Queensland 4000

Bankers

ANZ
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Perth, Western Australia 6000

Share Registry

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www-au.computershare.com/Investor

Securities Exchange Listing

ASX code: AVR (ordinary shares)

ANTERIS TECHNOLOGIES LTD

FINANCIAL REPORT CONTENTS

Directors' Report	1
Auditor's Independence Declaration	18
Consolidated Statement of Profit or Loss	20
Consolidated Statement of Other Comprehensive Income	21
Consolidated Statement of Financial Position	22
Consolidated Statement of Changes in Equity	23
Consolidated Statement of Cash Flows	24
Notes to the Consolidated Financial Statements	25
Directors' Declaration	61
Independent Auditor's Report	62

ANTERIS TECHNOLOGIES LTD

DIRECTORS' REPORT

Your Directors present their report on Anteris Technologies Ltd ("the Company" or "Anteris") and the consolidated entity (referred to hereafter as the Group) for the year ended 31 December 2022.

DIRECTORS

The Directors of the Company in office during the year ended 31 December 2022 and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

- John Seaberg
- Wayne Paterson
- Stephen Denaro
- Dr Wenyi Gu

PRINCIPAL ACTIVITIES

During the year, the principal activities of the Group consisted of:

- Continued research and development (R&D) of our Structural Heart products. Products under development include DurAVR™, a novel and highly durable 3D single piece aortic valve for the treatment of aortic stenosis. Combined with the ADAPT® technology this design delivers better haemodynamic performance through unique properties that are critical to longer lasting valves; and
- The manufacture and sale of proprietary ADAPT® regenerative tissue products globally.

OPERATING RESULT

The operating result for the year was as follows:

	2022 \$	2021 \$
Revenue	4,590,047	7,790,957
Loss after income tax	(44,340,161)	(22,907,027)

DIVIDENDS

No dividend was paid during the year and the Board has not recommended the payment of a dividend.

OPERATING AND FINANCIAL REVIEW

Group Overview

Significant progress was made by the Company during the course of the year in advancing clinical trials which are delivering strong successful results and importantly, taking the first step in achieving regulatory approvals. The Company has also focused on bringing greater industry and practitioner awareness to Anteris's DurAVR™ Transcatheter Heart Valve.

Review of Operations

During 2022 the First-in-Human study of DurAVR™ THV (Transcatheter Heart Valve) System was extended with a second cohort comprised of a further eight patients bringing the total number to thirteen.

At year-end the updated results for both cohorts had been released demonstrating superior haemodynamics, best-in-class laminar flow and improved (normalised) pressures under high cardiac output conditions. During the study the ComASUR™ delivery system component of DurAVR™ THV performed as expected allowing accurate valve placement.

These updated results were presented at both the TCT (Transcatheter Cardiovascular Therapeutics) Conference in Boston and the PCR London Valves conference, both of which attract the world's best practitioners in the field of interventional cardiology.

Also presented at these conferences were the results of a study of 22 patients comparing valve flow of normal healthy aortic valves and current aortic valve replacements. The study showed DurAVR™ THV exhibited no significant difference when compared to normal healthy aortic valves.

The Company strengthened its intellectual property portfolio with the filing of a new patent for ADAPT®, which relates to the sterilisation process that allows the safe transfer of product to the valve manufacturing site.

In late 2022 Anteris received approval from the U.S. Food and Drug Administration (FDA) for an Early Feasibility Study (EFS) of the DurAVR™ THV System. This is a significant milestone on the path to commercialisation. The EFS will build upon the outstanding clinical data collected from the thirteen patients who participated in the first-in-human study.

ANTERIS TECHNOLOGIES LTD

DIRECTORS' REPORT (continued)

OPERATING AND FINANCIAL REVIEW (continued)

Review of Operations (continued)

Anteris partnered with IQVIA Inc and the Cardiovascular Research Foundation (CRF) during the year and IQVIA will be responsible for clinical data monitoring, project and site management, data management, and safety of the EFS. CRF will provide core lab services for the Study and the independent Clinical Events Committee.

The Company has also partnered with Yale University and the Yale Cardiovascular Research Group to further study the various ways and mechanism's haemodynamic function can be impacted by product design after transcatheter aortic valve replacement in patients with severe aortic stenosis.

The Anteris Medical Advisory Board was strengthened during the year with the addition of Dr Karl Poon, Associate Professor Dion Stub and Dr Martin Leon who bring immense experience to the team.

A group of Australian interventional cardiologist experts from across the country were provided a tour of the Malaga facility in Western Australia, to observe the R&D laboratories, ongoing testing and manufacturing operations for the Anteris clinical trial program. The cardiology and TAVR experts were given a detailed overview of the DurAVR™ THV System technology including DurAVR™ design, ADAPT® tissue science and the ComASUR™ Transfemoral Delivery System.

On 16 January 2023 the Company released the 12 month results for the first cohort of five patients from the DurAVR™ THV Aortic Stenosis First-In-Human Study. All performance endpoints were met with remarkable haemodynamic function sustained at 12 months. The system demonstrated an outstanding safety profile: no mortality (all causes), no disabling stroke, no life-threatening bleeding, and no myocardial infarction. These encouraging preliminary First-in-Human study results will be further validated in an FDA-approved Early Feasibility Study in early 2023.

Profit and Loss Review

Revenues from ordinary activities for the year ended 31 December 2022 were \$4,590,047 decreasing from \$7,790,957 in 2021 reflecting lower volumes of sales.

The Company recognised other income totalling \$2,136,095 (2021: \$1,475,240), including \$1,802,793 in Research and Development Tax Incentives (2021: \$1,374,249).

The Group loss, after income tax provisions, was \$44,340,161 (2021: \$22,907,027) primarily reflecting increased research and development expenditure relating to the Group's Transcatheter Aortic Valve Replacement (TAVR) program.

Financial Position

The closing cash position for the year was \$13,805,328 (2021: \$21,299,864). Net working capital (current assets minus current liabilities) at 31 December 2022 was \$10,525,256.

Cash Flow

The net cash outflow during the year was \$8,991,659 (2021: \$16,935,881 inflow) reflecting:

- Net cash outflow from operating activities of \$38,995,191 (2021: \$18,809,609), as Anteris continues to invest in research and development and the growth of the business to support product development and the process of seeking regulatory approvals to bring the Company's DurAVR™ Transcatheter Heart Valve (THV) technology to market.
- Net cash outflow from investing activities of \$1,360,290 (2021: \$1,162,208 outflow) predominately related to equipment acquisitions primarily for the expansion of facilities in the United States, partly offset by a deferred instalment receipt for the sale of Anteris' CardioCel® and VasculCel® patch business to LeMaitre Vascular Inc.
- Net cash inflow from financing activities was \$31,363,822 (2021: \$36,907,698) including proceeds of \$34,894,315 from the Perceptive Life Sciences Master Fund share placement in March 2022 and multiple option conversions, partly offset by the payment of share capital issue transaction costs; repayment of \$1,350,000 of borrowings; and payment of lease liabilities primarily related to property.

Operating segments

Management has determined that the activities of the business as reviewed by the Chief Executive Officer are one segment, being the development and commercialisation of the ADAPT® platform technology. This is focused on the DurAVR™ Transcatheter Heart Valve System.

ANTERIS TECHNOLOGIES LTD

DIRECTORS' REPORT (continued)

OPERATING AND FINANCIAL REVIEW (continued)

Material Business Risks

The Group has identified the below specific risks which could impact upon its prospects.

Adverse patient event and product liability claims

There is a risk that a patient may have an adverse event arising from the failure of an Anteris product leading to a product liability claim or investigation against Anteris. Anteris monitors these risks and has implemented quality control procedures and quality assurance testing to reduce the risk of such claims. However, these may not be adequate and a product liability claim, where there was insufficient insurance coverage, could have a material adverse effect on Anteris' financial condition and reputation.

Inability to develop and commercialise new products

Based on its scientifically and commercially validated ADAPT® platform, Anteris has numerous ongoing Research and Development projects as well as product innovations led by the TAVR program in multibillion-dollar markets. The Company has recently demonstrated significant progress in the development of DurAVR™ and key milestones such as first-in-human. However, there remains a risk that these projects may fail, be delayed or may not prove commercially viable.

Inability to protect Intellectual property

Anteris' success will depend on its ability to obtain adequate and valid patent protection, maintain trade secret protections and operate without infringing the proprietary rights of third parties or having third parties circumvent Anteris' proprietary rights. While Anteris believes it has taken appropriate steps to protect its proprietary technology, this cannot be guaranteed and could harm its competitive position.

Inability to access capital

The ability of the Company and the Group to continue as a going concern and fund the path to profitability is dependent upon securing additional funds in the future. The ability to access capital may be impacted by various factors including economic conditions, a decline in investor confidence and/or sub-optimal pre-clinical or clinical outcomes from trials/studies. A reduced ability to access capital may result in a curtailment of the development activities of the product portfolio, a delayed timeline to commercialisation and other operational impacts.

The Directors believe the Company and Group have the ability to raise additional funds. Notwithstanding the above factors, as a company moving towards profitability, Anteris is dependent upon continuing support from current shareholders. Should the Company and the Group not receive the forecast cash inflows, there are material uncertainties as to whether the Company and the Group will be able to continue as a going concern and, therefore, whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

Cyber risk

Cybersecurity threats pose a significant risk to our business operations and financial performance. We have implemented various cybersecurity measures to protect our systems and data, including firewalls, intrusion detection systems, anti-virus software, encryption, and regular backups. However, these measures may not be sufficient to prevent all cyber threats, and we may be subject to cyber attacks that could result in financial losses, legal liabilities, operational disruptions, and reputational damage.

Likely Developments

Outlook

Having progressed its clinical developments materially during 2022, the Company is poised to continue with its clinical development including commencing its 15 patient US Early Feasibility Study in Q2 2023. In addition, the Company plans to report interim and final data of the various trials as it works towards commercialising its DurAVR™ THV system.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group during the financial year not otherwise disclosed in this report and the Financial Statements.

ENVIRONMENTAL REGULATIONS

The Group is subject to environmental regulation and other licences due to its research, development and manufacturing. The Group complies with all relevant Federal, State and Local environmental regulations. The Board is not aware of any breach of applicable environmental regulations by the Group.

ANTERIS TECHNOLOGIES LTD

DIRECTORS' REPORT (continued)

INFORMATION ON DIRECTORS

The name of the Directors holding office during the year ended 31 December 2022 are set out below, together with details of Directors' experience, qualifications, special responsibilities and other listed company directorships during the past three financial years.

Mr John Seaberg – Independent Non-Executive Director – Chair	
Experience and expertise	<p>Mr Seaberg has been an independent Non-Executive Director of Anteris Technologies Ltd since 10 October 2014. He was appointed as Deputy Chair on 16 June 2016 and Chair on 14 March 2017.</p> <p>From 2008 until its sale to Baxter in 2012, Mr Seaberg served as Chair of the Board of Synovis Inc (NASDAQ:SYNO), a Minneapolis based manufacturer of various medical devices and bio scaffold tissue products.</p> <p>From 2007 until 2014 he was Founder, Chair and CEO of NeoChord Inc., a venture capital-backed company commercialising technology developed at the Mayo Clinic for the repair of the mitral valve via minimally invasive techniques.</p> <p>From 1996 to 2006, Mr Seaberg served at Guidant Corp (subsequently acquired by Boston Scientific Corp) where he served in various executive level positions including Director of Bradycardia Marketing for Cardiac Rhythm Management, Vice President of Sales for Cardiac Surgery and Vice President of Sales for Cardiac Rhythm Management.</p> <p>In 1991, Mr Seaberg was co-founder of ACIST Medical and served as its first President and CEO. Mr Seaberg is a resident of Minneapolis, Minnesota, United States of America.</p>
Qualifications	<p>MBA, University of Minnesota</p> <p>BA, University of Minnesota</p>
Listed Company Directorships in last three years	None
Special responsibilities	<p>Chair of the Board</p> <p>Member of the Audit and Risk Management Committee</p> <p>Chair of the Remuneration Committee</p>

Mr Wayne Paterson – Executive Director – Chief Executive Officer	
Experience and expertise	<p>Mr Paterson has been a Director of Anteris Technologies Ltd since 10 October 2014. Mr Paterson has held numerous senior positions in multi-national pharmaceutical companies and has lived in seven countries during the past 20 plus years. Throughout his career, he has been responsible for building and managing multi-billion dollar businesses throughout the world, including mergers, integrations, acquisitions and major restructures as President and CEO.</p> <p>From 2005 to 2013 Mr Paterson held senior positions at Merck KgaA, most recently as President of Europe, Canada and Australia. Prior to this, Mr Paterson was President of Emerging Markets, President of Japan and Global Head of Cardiovascular Medicine. Mr Paterson also served on the board of Nasdaq listed Cepheid (molecular diagnostics) where he led the sale of that organisation for USD 5 billion.</p> <p>Between 1999 and 2005, Mr Paterson served at Roche Pharmaceuticals where he was most recently Head of Pharmaceuticals in Roche's South Korean operation. He also served as Head of Commercial Operations for Roche China based in Shanghai.</p> <p>Mr Paterson is an Australian national and resides in Minneapolis, Minnesota, United States of America.</p>
Qualifications	<p>MBA, University of Southern Queensland</p> <p>Business Studies, Queensland University of Technology</p>
Listed Company Directorships in last three years	None
Special responsibilities	Chief Executive Officer

ANTERIS TECHNOLOGIES LTD

DIRECTORS' REPORT (continued)

INFORMATION ON DIRECTORS (continued)

Mr Stephen Denaro – Independent Non-Executive Director	
Experience and expertise	<p>Mr Denaro was appointed as Non-Executive Director and Company Secretary on 31 October 2018.</p> <p>Mr Denaro has more than 30 years of senior level and Board level experience across publicly-listed companies; serving as Chief Financial Officer, Company Secretary and Director. He brings a depth of experience in managing compliance with finance and accounting regulatory requirements. He has managed investment acquisitions and subsequent funding (domestic and international).</p> <p>Mr Denaro is a resident of Brisbane, QLD, Australia.</p>
Qualifications	<p>Bachelor of Business in Accountancy</p> <p>Graduate Diploma in Applied Corporate Governance</p> <p>Member of Chartered Accountants Australia & New Zealand</p> <p>Member of the Australian Institute of Company Directors</p>
Listed Company Directorships in last three years	None
Special responsibilities	<p>Chair of the Audit and Risk Management Committee</p> <p>Member of the Remuneration Committee</p> <p>Company Secretary</p>

Dr Wenyi Gu – Non-Executive Director	
Experience and expertise	<p>Dr Gu was appointed to the Board of Directors on 4 October 2018.</p> <p>Dr Gu currently works as Research Fellow for the Australian Institute for Bioengineering and Nanotechnology at The University of Queensland (UQ), where he began his post-doctoral work in 2001. He held a Peter Doherty Fellowship (2006-2009) and was supported by the National Health and Medical Research Council (NHMRC) to work at Harvard Medical School, Harvard University as a visiting research fellow.</p> <p>Before engaging in nanomedicine (focusing on drug delivery and cancer therapy), he worked on RNAi-based gene therapy for several years at Translation Research Institute (TRI). Dr Gu's research has been extensively published in respected industry journals such as Nature Communications, Ad. Materials, ACS Nano and PNAS USA.</p> <p>Dr Gu is a resident of Brisbane, QLD, Australia.</p>
Qualifications	<p>Bachelor degree in veterinary science</p> <p>Masters degree in veterinary science</p> <p>PhD in biochemistry and molecular biology at the Australian National University.</p>
Listed Company Directorships in last three years	None
Special responsibilities	<p>Member of the Audit and Risk Management Committee</p> <p>Member of the Remuneration Committee</p>

ANTERIS TECHNOLOGIES LTD

DIRECTORS' REPORT (continued)

INFORMATION ON DIRECTORS (continued)

COMPANY SECRETARY

Mr Stephen Denaro was appointed as Company Secretary on 31 October 2018. Mr Denaro combines the company secretarial duties with his role as Non-Executive Director.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 31 December 2022 is set out below.

	Full meeting of directors		Audit and Risk Management Committee		Remuneration Committee	
	A	B	A	B	A	B
Mr Wayne Paterson	9	10	#	#	#	#
Mr John Seaberg	10	10	4	4	3	3
Mr Stephen Denaro	10	10	4	4	3	3
Dr Wenyi Gu	8	10	3	4	3	3

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year

= Not a member of the relevant committee

The Board meets regularly on an informal basis in addition to the above meetings.

Details of the membership of the committees of the Board are presented in the Corporate Governance Statement, which can be viewed at <https://anteristech.com/about/corporate-governance>.

ANTERIS TECHNOLOGIES LTD

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (Audited)

The remuneration report is set out under the following main headings:

- A Introduction
- B Key Management Personnel
- C Principles Used to Determine the Nature and Amount of Remuneration
- D Remuneration Governance
- E Use of Remuneration Consultants
- F Service Agreements
- G Details of Remuneration
- H Share-based Compensation
- I Additional Information
- J Additional Disclosures Relating to Key Management Personnel

The information provided in this Remuneration Report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

A Introduction

The Company has continued to review and refine our remuneration framework and associated practices.

B Key Management Personnel

For the purposes of this report personnel deemed Key Management Personnel (KMP) at any time during the year ended 31 December 2022 are:

Board of Directors

Non-Executive Directors

Mr John Seaberg
Mr Stephen Denaro (Company Secretary)
Dr Wenyi Gu

Executive Director

Mr Wayne Paterson

Other KMP

Mr David St Denis – Chief Operating Officer
Mr Matthew McDonnell – Chief Financial Officer

C Principles Used to Determine the Nature and Amount of Remuneration

The objective of the Company's remuneration and incentive framework is to ensure the reward for performance is competitive and appropriate for the results delivered and set to attract and retain suitably qualified and experienced candidates. Remuneration levels are competitively set to attract qualified and experienced directors and senior executive officers, in the context of prevailing market conditions.

The Company embodies the following principles in its remuneration framework:

- The Remuneration Framework for the Company is overseen by the Board Remuneration Committee and the Board of Directors.
- Remuneration is set in light of the Company's Mission and Vision and aligned to strategic objectives. Compensation outcomes reflect the overall performance of the Company as well as the performance and contribution of the individual.
- The Board seeks independent advice as required on remuneration policies and practices including recommendations on remuneration packages and other terms of employment for Directors and for KMP with similar levels of responsibility, performance, and potential of the individual and performance of the Group.

Board Remuneration Committee responsibilities were carried out during the year ended 31 December 2022 by John Seaberg (Chair), Stephen Denaro and Wenyi Gu.

Non-Executive Director Remuneration Policy

Fees and payments to the Non-Executive Directors reflect the demands which are made on and the responsibilities of the Directors. The Non-Executive Chair's fees are determined based on competitive roles in the external market. The Chair does not participate in the determination of his own remuneration.

ANTERIS TECHNOLOGIES LTD

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

C Principles Used to Determine the Nature and Amount of Remuneration (continued)

Non-Executive Director Remuneration Policy (continued)

The Non-Executive Directors' fees and payments are reviewed by the Remuneration Committee for consistency with market practices. The Chair currently receives a fixed fee plus options for his services as a Director. All options granted to the Chair have been considered and approved by shareholders at a general meeting.

The Non-Executive Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$700,000 per annum and was approved by shareholders at the 2014 Annual General Meeting. Shareholders have approved additional grants of options to the Non-Executive Directors in 2020 and 2022.

The Company's Non-Executive Directors' remuneration package contains the following key elements:

- Primary benefits – monthly director's fees including 11.0% superannuation from 1 July 2022 (previously 10.5%) in the case of Australian-based directors only;
- Equity – a grant of share options with performance hurdles linked to share price increases and tenure was made for the Chair and the Company Secretary and was approved at an Extraordinary General Meeting on 26 February 2020; and
- Equity – a grant of share options, split into three tranches vesting over 1, 2 and 3 years respectively was made for all Non-Executive Directors and was approved at the Annual General Meeting on 25 May 2022.

In addition to the above, Mr Stephen Denaro receives \$50,000 per annum for Company Secretarial services.

No retirement benefits are provided other than compulsory superannuation.

Executive Remuneration Policy

The Company's Executive Director and other Executive's remuneration packages contain the following key elements:

- Primary benefits – Base salary, short term incentives, 11.0% superannuation from 1 July 2022 (previously 10.5%) for Australian-based personnel or 3% US pension contributions limited by the eligible compensation threshold for US personnel, and in the case of US based executives a health benefit plan.
- Equity settled share options are issued with exercise prices determined by the Board. There are no performance conditions on options issued other than remaining employed by the Group until the vesting date, generally over a three-year period. In addition, the Chief Executive Officer also received equity settled share options in 2020 which had performance hurdles linked to share price increases, and tenure.

Group Performance and Link to Remuneration

Remuneration for individuals is linked to the performance of the Group as well as the performance and contribution of the individual. Incentive payments are dependent on defined corporate and individual key performance targets being met. Incentive payments for the Chief Executive Officer and for the broader corporate group are at the discretion of the Remuneration Committee.

The Remuneration Committee believes the setting of key corporate and individual key performance targets which are aligned to the corporate strategy, will drive the development, performance and position of the Group. This will drive increased shareholder wealth over the coming years.

The Chief Executive Officer and other executives' short term incentive (STI) bonus performance target are based on a percentage of their base salaries with the actual incentive dependent on certain Group and individual performance conditions being satisfied. Short term incentive opportunity targets are based on adjusted EBITDA, capital position targets and achievement of strategic objectives. Strategic targets include measures linked to the advancement of the TAVR program including the early feasibility study.

Position	Name	Target STI Bonus %
Chief Executive Officer	Wayne Paterson	60% of base salary
Chief Operating Officer	David St Denis	50% of base salary
Chief Financial Officer	Matthew McDonnell	40% of base salary

The Board were granted additional share options after receiving shareholder approval in May 2022. The grant of options was intended to align the interests of the Board with those of shareholders, by linking their rewards with the interests of shareholders and the creation of Shareholder value, while also minimising the cash expenses of the Group. The options vest in three equal tranches over 1, 2 and 3 years subject to the holder still being employed by the Group. Included in this allocation of options were 41,222 options in relation to Wayne Paterson's 2021 performance. The number of options issued was determined based on a target of 40% of his base salary.

In September 2022, as recognition for services to the Group and to encourage ongoing retention, the Board awarded an issue of options to each of David St Denis and Matthew McDonnell. The options vest in three equal tranches over 1, 2 and 3 years subject to the holder still being employed by the Group. The Board fixed the exercise price at the same price as the Director options approved at the Annual General Meeting in May 2022.

ANTERIS TECHNOLOGIES LTD

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

C Principles Used to Determine the Nature and Amount of Remuneration (continued)

John Seaberg, Wayne Paterson and Stephen Denaro also hold share options that were approved by shareholders in February 2020 which include performance hurdles linked to share price increases, and tenure. The options vest in three tranches following the completion of at least 12, 18 and 24 months service with an increase in the closing share price to \$16.80, \$22.40 and \$33.60 respectively. The Remuneration Committee determined that it was appropriate to grant Options with performance conditions which significantly enhance Shareholder returns through an increase in share price over the years and in that context align the holders' reward and commitment with the interests of other security holders.

The Board of Directors exercised their discretion to extend the period to achieve the share price hurdle, by an additional 12 months being 48 months since the date of issue.

D Remuneration Governance

The Remuneration Committee is a committee of the Board. The purpose of the Committee is to review and make recommendations to the Board in relation to the overall remuneration policy for the Company and Group, including:

- Non-Executive Director remuneration;
- Executive Director and Senior Executive remuneration;
- the implementation of, and amendment of, any short term and long-term incentive plans;
- executive remuneration changes and contractual amendments not required to be recommended to the Board; and
- the Group's remuneration and incentive framework including policies, practices and performance indicators.

E Use of Remuneration Consultants

No remuneration consultants were engaged during the 2022 financial year.

F Service Agreements

Non-Executive Directors

On appointment, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter outlines the Board's policies and terms, including remuneration. Directors fees cover all board activities including membership of any board committees.

Executive Director and other key management personnel

The Group has also entered into service agreements with the Executive Director and other key management personnel, which contain standard terms and conditions for agreements of this nature, including confidentiality, restraint on competition and intellectual property provisions. These agreements may be terminated by notice by either party, or earlier in the event of certain breaches of the terms and conditions.

There are no fixed term agreements. The periods of notice required to terminate the contract and the termination entitlements provided under the contracts are summarised for the Executive Director and each member of the KMP below.

Name	Notice period	Termination entitlement
Wayne Paterson	3 months by either party	3 months salary over the notice period plus 9 months base salary after separation if terminated (not for cause) by the Company
David St Denis	12 months by either party	12 months salary over the notice period
Matthew McDonnell	3 months by either party	3 months salary over the notice period

ANTERIS TECHNOLOGIES LTD

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

G Details of Remuneration

Details of the remuneration of the Directors and other Key Management Personnel of the Group is set out below.

12 months to 31 December 2022		Short-term benefits				Post-employment benefits	Share based benefits		
	Contracted Annual Base Salary or fees \$	Salary and fees \$ AUD	Bonus ¹ \$ AUD	Non-monetary benefits \$ AUD	Leave ² \$ AUD	Pension and superannuation \$ AUD	Equity options \$ AUD ⁴	Total \$ AUD	Performance related remuneration ⁵ %
Non-Executive Director									
J. Seaberg	USD 140,000	201,751	-	-	-	-	521,306	723,057	72%
S. Denaro ³	AUD 150,000	150,000	-	-	-	10,750	259,771	420,521	62%
W. Gu	AUD 100,000	100,000	-	-	-	10,750	255,717	366,467	70%
Executive Directors									
W. Paterson	USD 624,750	899,780	553,284	40,714	51,821	12,690	2,003,691	3,561,980	72%
Total directors' compensation		1,351,531	553,284	40,714	51,821	34,190	3,040,485	5,072,025	
Other Key Management Personnel									
D. St Denis	USD 396,000	570,330	292,251	36,988	13,122	12,954	749,848	1,675,493	62%
M. McDonnell	AUD 335,000	343,794 ⁶	148,740	775	6,897	27,219	298,582	826,007	54%
Total key management personnel compensation		914,124	440,991	37,763	20,019	40,173	1,048,430	2,501,500	
TOTAL		2,265,655	994,275	78,477	71,840	74,363	4,088,915	7,573,525	

¹ The bonus figures disclosed for KMP relates to amounts accrued for the 2022 calendar year as determined under the STI scheme.

² Leave represents the movement in annual leave and long service leave provision balances. The accounting value may be negative, for example when a KMP has taken more leave than accrued during the year.

³ S. Denaro receives AUD100,000 in director fees plus AUD50,000 for Company Secretarial services.

⁴ The fair value of the options is calculated at the date of grant and allocated to each reporting period evenly over the period from grant date to vesting date based on expected timing of achieving vesting conditions.

⁵ Performance related remuneration includes STI and equity incentives but excludes sign-on options.

⁶ Superannuation amounts in excess of the legislated concessional contribution cap have been paid as salary.

ANTERIS TECHNOLOGIES LTD

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

G Details of Remuneration (continued)

12 months to 31 December 2021		Short-term benefits				Post-employment benefits	Share based benefits		Performance related remuneration ⁷ %
	Contracted Annual Base Salary or fees \$	Salary and fees \$ AUD	Bonus ¹ \$ AUD	Non-monetary benefits \$ AUD	Leave ² \$ AUD	Pension and superannuation \$ AUD	Equity options \$ AUD ⁶	Total \$ AUD	
Non-Executive Director ³									
J. Seaberg	USD 140,000	186,357	-	-	-	-	19,919	206,276	10%
S. Denaro ⁴	AUD 150,000	150,000	-	-	-	10,250	8,300	168,550	5%
W. Gu	AUD 100,000	100,000	-	-	-	10,250	-	110,250	-
Executive Directors									
W. Paterson	USD 624,750	831,810	645,759	36,460	38,315	11,572	134,327	1,698,243	46%
Total directors' compensation		1,268,167	645,759	36,460	38,315	32,072	162,546	2,183,319	
Other Key Management Personnel									
D. St Denis	USD 396,000	527,245	341,097	33,097	10,104	11,454	50,779	973,776	40%
M. McDonnell	AUD 335,000	348,987 ⁸	185,088	753	14,989	20,351	48,143	618,311	37%
M. Engel ⁵	USD 240,000	178,183	-	4,725	(6,011)	9,335	2,772	189,004	-
Total key management personnel compensation		1,054,415	526,185	38,575	19,082	41,140	101,694	1,781,091	
TOTAL		2,322,582	1,171,944	75,035	57,397	73,212	264,240	3,964,410	

¹ The bonus figures disclosed for KMP relates to amounts accrued for the year as determined under the STI scheme.

² Leave represents the movement in annual leave and long service leave provision balances. The accounting value may be negative, for example when a KMP has taken more leave than accrued during the year.

³ There are no termination or retirement benefits for Non-Executive Directors (other than statutory superannuation).

⁴ S. Denaro receives AUD100,000 in director fees plus AUD50,000 for Company Secretarial services.

⁵ M. Engel resigned on 1 July 2021.

⁶ The fair value of the options is calculated at the date of grant and allocated to each reporting period evenly over the period from grant date to vesting date based on expected timing of achieving vesting conditions.

⁷ Sign-on options are excluded from the calculation of the performance related percentage.

⁸ Superannuation amounts in excess of the legislated concessional contribution cap have been paid as salary.

ANTERIS TECHNOLOGIES LTD

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

G Details of Remuneration (continued)

Short term incentives (STI)

Details of short-term cash bonuses achieved or forfeited are as follows:

Name	31 December 2022	
	Awarded	Forfeited
	%	%
Wayne Paterson	100%	0%
David St Denis	100%	0%
Matthew McDonnell	100%	0%

H Share-based Compensation

Option holdings

The number of options over ordinary shares in the Company held during the financial year by each Director of Anteris Technologies Ltd, including their personally related parties, and other KMP are set out below:

1 January 2022 - 31 December 2022

Option holder	Balance at the start of the year	Granted as compensation	Expired	Balance at the end of the year	Unvested	Vested and exercisable
Directors of Anteris Technologies Ltd						
J. Seaberg	60,000	80,000	-	140,000	73,333	66,667
W. Paterson	396,248	300,000	-	696,248	316,999	379,249
S. Denaro	25,000	40,000	-	65,000	35,166	29,834
W. Gu	-	40,000	-	40,000	26,666	13,334
Other key management personnel of the Group						
D. St Denis	69,430	200,000	(4,000)	265,430	240,000	25,430
M. McDonnell	62,001	50,000	-	112,001	90,000	22,001

Exercise of options granted as compensation

No options granted as compensation were exercised during the year ended 31 December 2022.

Options over equity instruments granted as compensation

Details of options over ordinary shares in the Company that were granted as compensation to each key management person during the reporting period including the fair value per option at grant date are as follows:

Option holder	Grant date	Expiry date	Total number granted	Exercise price \$		Tranche 1	Tranche 2	Tranche 3
J. Seaberg	25/05/2022	13/06/2027	80,000	12.96	# granted	26,667	26,667	26,666
					Fair value	\$10.13	\$10.66	\$11.14
W. Paterson	25/05/2022	13/06/2027	41,222	9.48	# granted	13,741	13,741	13,740
					Fair value	\$11.32	\$11.75	\$12.13
W. Paterson	25/05/2022	13/06/2027	258,778	12.96	# granted	86,260	86,259	86,259
					Fair value	\$10.13	\$10.66	\$11.14
S. Denaro	25/05/2022	13/06/2027	40,000	12.96	# granted	13,334	13,333	13,333
					Fair value	\$10.13	\$10.66	\$11.14
W. Gu	25/05/2022	13/06/2027	40,000	12.96	# granted	13,334	13,333	13,333
					Fair value	\$10.13	\$10.66	\$11.14
D. St Denis	17/09/2022	13/06/2027	200,000	12.96	# granted	66,668	66,666	66,666
					Fair value	\$17.03	\$17.62	\$18.15
M. McDonnell	17/09/2022	13/06/2027	50,000	12.96	# granted	16,668	16,666	16,666
					Fair value	\$17.03	\$17.62	\$18.15

All tranches of options have been granted for no consideration and vest in three equal tranches over 1, 2 and 3 years subject to the holder still being employed by Anteris Technologies Ltd. Vested options are exercisable for a period up to the expiry date, being 5 years from the date of issue.

ANTERIS TECHNOLOGIES LTD

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

H Share-based Compensation (continued)

Options over equity instruments granted as compensation (continued)

The fair value at grant date is determined using a Black-Scholes option pricing model that considers the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The maximum value of the options granted is determined by multiplying the fair value per option at grant date by the number of options granted during the year. This amount is allocated to each reporting period evenly over the period from grant date to vesting date based on expected timing of achieving vesting conditions. The minimum value is nil if the service conditions are not met.

Options over equity instruments which vested during the year

Details on options over ordinary shares in the Company held by key management person that vested during the reporting period are as follows:

Option holder	Number of options vested during the year	Grant date	Exercise price \$	Fair value per option at grant date \$	Expiry date
J. Seaberg	20,000	20/03/2020	11.20	1.29	20/03/2025
J. Seaberg	20,000	20/03/2020	11.20	1.08	20/03/2025
J. Seaberg	26,667	25/05/2022	12.96	10.13	13/06/2027
W. Paterson	116,500	20/03/2020	11.20	1.29	20/03/2025
W. Paterson	116,500	20/03/2020	11.20	1.08	20/03/2025
W. Paterson	13,741	25/05/2022	9.48	11.32	13/06/2027
W. Paterson	86,260	25/05/2022	12.96	10.13	13/06/2027
S. Denaro	8,250	20/03/2020	11.20	1.29	20/03/2025
S. Denaro	8,250	20/03/2020	11.20	1.08	20/03/2025
S. Denaro	13,334	25/05/2022	12.96	10.13	13/06/2027
W. Gu	13,334	25/05/2022	12.96	10.13	13/06/2027
D. St Denis	20,000	23/09/2021	8.88	4.49	23/09/2026
M. McDonnell	667	14/06/2019	6.80	5.11	12/07/2029
M. McDonnell	20,000	23/09/2021	8.88	4.49	23/09/2026

ANTERIS TECHNOLOGIES LTD

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

I Additional Information

The Remuneration Committee considers the Group's performance and the consequences of the performance on shareholder wealth in determining KMP remuneration.

	2022 \$	2021 \$	2020 \$	2019 \$	2018 \$
Sales revenue	4,590,047	7,790,957	7,078,783	17,075,383	25,601,097
EBITDA	(41,828,964)	(20,130,095)	(13,668,003)	(4,097,536)	(20,691,422)
Profit/(Loss) after tax	(44,340,161)	(22,907,027)	(15,274,534)	(6,181,382)	(24,698,678)
Share price at year end (\$A)	22.20	12.96	3.75	10.00	6.20
Market capitalisation	308,621,803	143,776,231	23,352,218	59,084,280	36,576,347
Total dividends declared (cents per share)	-	-	-	-	-
Basic loss per share (\$ per share)	3.32	3.09	2.58	0.99	7.93

KMP are incentivised to drive increased shareholder wealth through the inclusion of EBITDA, capital position targets and achievement of strategic objectives as STI performance targets. In determining KMP remuneration, the EBITDA target is based on the budgeted EBITDA adjusted for certain defined financial captions. EBITDA is a non-IFRS measure and is unaudited.

A reconciliation of Loss before income tax from continuing operations to EBITDA is shown below:

	2022 \$	2021 \$	2020 \$	2019 \$	2018 \$
Loss before income tax from continuing operations	(44,340,161)	(22,907,027)	(15,274,534)	(6,181,382)	(24,698,678)
Reconciling items:					
Interest income	(308,463)	(91,396)	(185,012)	(65,660)	(41,843)
Financing costs	1,077,740	1,514,146	578,965	533,058	2,638,323
Depreciation and amortisation expense	1,741,920	1,354,182	1,212,578	1,616,448	1,410,776
EBITDA	(41,828,964)	(20,130,095)	(13,668,003)	(4,097,536)	(20,691,422)

J Additional Disclosures Relating to Key Management Personnel

Shareholding

The number of shares in the Company held during the year by each Director and other KMP of the Group, including their personally related parties, is set out below. There were no shares granted as compensation during the reporting or comparative period.

1 January 2022 - 31 December 2022

	Balance at the start of the year	Purchased during the year	Received during the year on exercise of options	Commenced / ceased as KMP during the year	Balance at the end of the year
Ordinary shareholders					
Directors of Anteris Technologies Ltd					
J. Seaberg	15,858	-	-	-	15,858
W. Paterson	16,167	-	-	-	16,167
S. Denaro	5,000	2,222	-	-	7,222
W. Gu	-	-	-	-	-
Other key management personnel of the Group					
D. St Denis	-	-	-	-	-
M. McDonnell	-	-	-	-	-

Loans to Key Management Personnel

No loans have currently been provided to key management personnel.

THIS IS THE END OF THE AUDITED REMUNERATION REPORT

ANTERIS TECHNOLOGIES LTD

DIRECTORS' REPORT (continued)

UNISSUED SHARES UNDER CONVERTIBLE EQUITY INSTRUMENTS

Unissued ordinary shares of Anteris Technologies Ltd under convertible equity instruments as at the date of this report are as follows:

Issue date	Expiry date	Exercise price \$	Options	Warrants
25/10/2017	26/10/2024	25.31	-	49,388
08/06/2018	31/12/2027	30.00	3,258	-
08/06/2018	31/12/2027	37.00	31,737	-
28/02/2019	02/04/2028	3.60	1,002	-
28/02/2019	10/04/2028	3.60	1,002	-
28/02/2019	16/05/2028	3.60	1,500	-
14/05/2019	15/05/2029	5.90	31,890	-
14/06/2019	12/07/2029	6.80	2,505	-
30/08/2019	01/09/2029	6.80	3,000	-
20/03/2020	20/03/2025	11.20	435,000	-
17/04/2020	17/04/2025	3.50	915	-
03/06/2020	03/06/2025	7.58	166	-
07/10/2020	07/10/2025	4.00	250	-
27/10/2020	27/10/2025	3.94	400	-
20/01/2021	20/01/2024	10.00	150,000	-
25/02/2021	25/02/2026	4.48	2,166	-
12/04/2021	12/04/2024	10.00	350,000	-
28/05/2021	28/05/2026	8.72	833	-
16/07/2021	16/07/2023	11.50	134,365	-
22/07/2021	22/07/2026	7.66	1,084	-
10/09/2021	10/09/2026	8.97	3,167	-
10/09/2021	10/09/2026	8.50	20,000	-
23/09/2021	23/09/2026	8.88	190,000	-
27/09/2021	27/09/2025	10.00	1,058,849	-
11/11/2021	11/11/2026	8.60	1,250	-
21/12/2021	21/12/2023	15.00	500,000	-
24/12/2021	24/12/2024	10.00	75,000	-
09/02/2022	09/02/2027	17.23	500	-
27/04/2022	27/04/2027	17.11	2,250	-
13/06/2022	13/06/2027	9.48	41,222	-
13/06/2022	13/06/2027	12.96	418,778	-
29/06/2022	29/06/2027	22.01	21,250	-
19/09/2022	13/06/2027	12.96	350,000	-
24/10/2022	24/10/2027	22.84	1,500	-
02/02/2023	02/02/2028	22.61	2,000	-
15/02/2023	15/02/2025	29.00	1,954,167	-
Total			5,791,006	49,388

No convertible equity instrument holder has any right to participate in any other share issue of the Company or any other entity. The convertible equity instruments are exercisable at any time after vesting up to the expiry date. All unissued shares are ordinary shares of the Company.

Further details about the above are included in the Remuneration report, note 6(d) *Borrowings*, note 9 *Contributed equity* and note 10 *Equity – Reserves*.

ANTERIS TECHNOLOGIES LTD

DIRECTORS' REPORT (continued)

INSURANCE OF OFFICERS

During the year to 31 December 2022, the Company paid a premium in respect of a contract insuring the Directors and Officers of the Company and any subsidiary against a liability incurred as a Director or Officer to the extent permitted by the *Corporations Act 2001*. Due to a confidentiality clause in the policy, the amount of the premium has not been disclosed.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

SUBSEQUENT EVENTS

On 15 February 2023, the Company issued 1.458 million new ordinary shares to various sophisticated and professional investors at an issue price of \$24.00 per share, raising \$35 million before costs to be used primarily for the clinical development of DurAVR™ and for general working capital purposes. Participants in the placement also receive one attaching unlisted option to acquire an ordinary share in Anteris for each share, expiring two years from the date of issue with an exercise price of \$29.00. Shareholder approval is required for Wayne Paterson, Chief Executive Officer and Managing Director, who is participating in the capital raise on the same terms as the other investors.

Other than the above event, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties, where the auditors' expertise and experience with the Company are important.

Prior to the appointment of KPMG as the Group's auditor, the Company had engaged KPMG to provide various non-audit services. The Company's Board of Directors has considered the non-audit services provided by the auditor and in accordance with advice provided by the Audit and Risk Management Committee, is satisfied that the provision of those non-audit services during the year by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, KPMG, and its network firms for audit and non-audit services provided during the year are set out below:

	2022 \$
Assurance services	
Other assurance services – Audit of 3 years of US GAAP financial reporting	455,000
Other services	
Risk advisory services	30,000
	485,000
Audit and review of financial statements	135,000
Total paid to KPMG	620,000

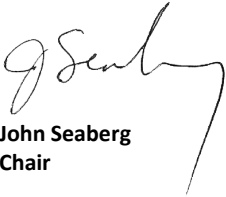
ANTERIS TECHNOLOGIES LTD

DIRECTORS' REPORT (continued)

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached.

This report is made in accordance with a resolution of the Directors.



John Seaberg
Chair

Dated 28 February 2023

For personal use only



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Anteris Technologies Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Anteris Technologies Ltd for the financial year ended 31 December 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

The KPMG logo, consisting of the letters 'KPMG' in a stylized, handwritten font.

KPMG

A handwritten signature in black ink, appearing to read 'S Board'.

Stephen Board
Partner

Brisbane
28 February 2023

ANTERIS TECHNOLOGIES LTD

FINANCIAL STATEMENTS CONTENTS

Consolidated Statement of Profit or loss	20
Consolidated Statement of Other Comprehensive Income	21
Consolidated Statement of Financial Position	22
Consolidated Statement of Changes in Equity	23
Consolidated Statement of Cash Flows	24
Group Performance	
1. Basis of Preparation	25
2. Segment Reporting	27
3. Revenue and Other Income	28
4. Expenses	29
5. Income Tax	29
Assets and Liabilities	
6. Financial Assets and Liabilities	33
7. Non-Financial Assets and Liabilities	37
8. Fair Value Measurement	45
Capital Structure and Risk Management	
9. Contributed Equity	46
10. Equity - Reserves	48
11. Loss per Share	48
12. Financial Risk Management	49
Group Composition	
13. Controlled Entities	52
14. Parent Entity Information	53
Unrecognised items	
15. Commitments	54
16. Contingencies	54
17. Events Occurring After the Reporting Period	54
Other Information	
18. Share Based Payments	55
19. Related Party Transactions	57
20. Dividends	58
21. Remuneration of Auditors	58
22. Summary of Accounting Policies	59
Directors' Declaration	61
Independent Auditor's Report	62

ANTERIS TECHNOLOGIES LTD

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Revenue from continuing operations	3	4,590,047	7,790,957
Other income	3	2,136,095	1,475,240
Foreign exchange gain		2,334,756	606,207
Changes in inventory		(232,844)	64,281
Raw materials and consumables used		(1,748,570)	(1,704,117)
Employee benefits	4	(17,748,909)	(13,609,252)
Consultancy and legal fees		(6,212,773)	(2,462,139)
Travel and conference expenses		(1,351,103)	(216,828)
Research and development costs		(13,214,080)	(8,012,423)
Share-based payments	4	(4,700,449)	(341,803)
Depreciation and amortisation expense	4	(1,741,920)	(1,354,182)
Financing costs	4	(1,077,740)	(1,514,146)
Fair value movement of derivatives		(347,492)	(466,648)
Marketing and promotional expenses		(1,181,243)	(549,590)
Infrastructure		(749,114)	(528,328)
Insurance		(1,082,233)	(826,076)
IT and telecommunications		(1,311,056)	(681,485)
Other expenses		(701,533)	(576,695)
Loss before income tax from continuing operations		(44,340,161)	(22,907,027)
Income tax (expense)/benefit	5	-	-
Loss after income tax for the year		(44,340,161)	(22,907,027)
Total loss is attributable to:			
Equity holders of Anteris Technologies Ltd		(44,340,161)	(22,907,027)
Loss per share from continuing operations attributable to ordinary equity holders of the Company (\$ per share)			
Basic and diluted loss per share	11	3.32	3.09

The above Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

ANTERIS TECHNOLOGIES LTD

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 \$	2021 \$
Loss after income tax for the year	(44,340,161)	(22,907,027)
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translation of foreign operations	(684,741)	(747,542)
Other comprehensive loss for the year, net of tax	(684,741)	(747,542)
Total comprehensive loss	(45,024,902)	(23,654,569)
Total comprehensive loss is attributable to:		
Equity holders of Anteris Technologies Ltd	(45,024,902)	(23,654,569)

The above Consolidated Statement of Other Comprehensive Income should be read in conjunction with the accompanying notes.

ANTERIS TECHNOLOGIES LTD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6(a)	13,805,328	21,299,864
Trade and other receivables	6(b)	831,992	1,356,010
Inventories	7(a)	524,901	757,745
Other assets	7(b)	1,403,512	1,196,449
Prepayments		1,500,059	1,229,428
Total Current Assets		18,065,792	25,839,496
Non-Current Assets			
Plant & equipment	7(c)	3,307,889	1,666,124
Right-of-use assets	7(d)	1,209,268	830,863
Intangible assets	7(e)	896,455	1,145,195
Total Non-Current Assets		5,413,612	3,642,182
TOTAL ASSETS		23,479,404	29,481,678
LIABILITIES			
Current Liabilities			
Trade and other payables	6(c)	6,128,103	6,568,284
Provisions	7(f)	655,227	484,240
Lease liabilities	7(d)	757,206	625,240
Embedded derivatives	6(e)	-	581,136
Borrowings	6(d)	-	4,682,765
Total Current Liabilities		7,540,536	12,941,665
Non-Current Liabilities			
Lease liabilities	7(d)	649,120	421,460
Warrants	6(f)	1,382,298	1,210,398
Provisions	7(f)	689,675	560,285
Total Non-Current Liabilities		2,721,093	2,192,143
TOTAL LIABILITIES		10,261,629	15,133,808
NET ASSETS		13,217,775	14,347,870
EQUITY			
Contributed equity	9	211,832,403	172,638,045
Reserves	10	3,405,140	(610,568)
Accumulated losses		(202,019,768)	(157,679,607)
TOTAL EQUITY		13,217,775	14,347,870

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

ANTERIS TECHNOLOGIES LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Contributed Equity \$	Share-based payments reserve \$	Other Reserves \$	Foreign currency translation reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 January 2021		138,740,016	5,757,371	(7,243,027)	(74,566)	(134,772,580)	2,407,214
Loss for the year		-	-	-	-	(22,907,027)	(22,907,027)
Exchange translation differences		-	-	-	(747,542)	-	(747,542)
Total comprehensive loss		-	-	-	(747,542)	(22,907,027)	(23,654,569)
Transactions with owners in their capacity as owners							
Shares issued during the year	9(b)	37,317,609	-	-	-	-	37,317,609
Capital raising costs	9(b)	(3,419,580)	-	-	-	-	(3,419,580)
Options issued – Capital raising	10(c)	-	-	357,143	-	-	357,143
Share-based payments	10(d)	-	1,340,053	-	-	-	1,340,053
Balance at 31 December 2021		172,638,045	7,097,424	(6,885,884)	(822,108)	(157,679,607)	14,347,870
Loss for the year		-	-	-	-	(44,340,161)	(44,340,161)
Exchange translation differences		-	-	-	(684,741)	-	(684,741)
Total comprehensive loss		-	-	-	(684,741)	(44,340,161)	(45,024,902)
Transactions with owners in their capacity as owners							
Shares issued during the year	9(b)	39,701,043	-	-	-	-	39,701,043
Capital raising costs	9(b)	(506,685)	-	-	-	-	(506,685)
Share-based payments	10(d)	-	4,700,449	-	-	-	4,700,449
Balance at 31 December 2022		211,832,403	11,797,873	(6,885,884)	(1,506,849)	(202,019,768)	13,217,775

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

ANTERIS TECHNOLOGIES LTD

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		4,196,416	8,298,725
Payments to suppliers and employees		(44,832,880)	(28,467,700)
R&D tax incentive refund		1,595,730	1,597,800
Government grants		22,000	-
Interest paid		(204,899)	(242,481)
Interest received		228,442	4,047
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	6(g)	(38,995,191)	(18,809,609)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant & equipment		(2,278,961)	(760,188)
Payments for intangibles		(129,943)	(12,470)
Payments to acquire investments		-	(400,000)
Deferred proceeds from sale of distribution rights		1,043,614	-
Proceeds from sale of plant and equipment		5,000	10,450
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(1,360,290)	(1,162,208)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share or options issues		34,894,315	36,846,108
Share issue transaction costs		(1,467,705)	(1,089,965)
Proceeds from convertible notes issued	6(g)	-	5,000,000
Repayment of borrowings	6(g)	(1,350,000)	(2,791,128)
Borrowings and convertible note transaction costs	6(g)	-	(518,738)
Payment of lease liabilities	7(d)	(712,788)	(538,579)
NET CASH INFLOW FROM FINANCING ACTIVITIES		31,363,822	36,907,698
NET (DECREASE)/INCREASE IN CASH HELD		(8,991,659)	16,935,881
CASH AT BEGINNING OF THE YEAR		21,299,864	4,354,355
Effect of exchange rate movements on cash		1,497,123	9,628
CASH AT END OF THE YEAR	6(a)	13,805,328	21,299,864

The above Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. BASIS OF PREPARATION

The consolidated financial statements comprise Anteris Technologies Ltd (the "Company") and its controlled entities (the "Group"). The Company is a listed, for-profit, public company, incorporated and domiciled in Australia.

The consolidated financial statements are presented in Australian dollars, which is Anteris Technologies Ltd's functional and presentation currency. Figures presented in the financial report are rounded to the nearest dollar.

The consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments, which have been measured at fair value through profit or loss.

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 14.

The Group's accounting policies have been consistently applied to all periods presented unless otherwise stated.

Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board.

The consolidated financial statements were authorised for issue by the Board of Directors on the date of signing the Directors' Declaration.

(a) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharges of liabilities in the ordinary course of business.

As disclosed in the financial statements, the Group incurred a net loss of \$44,340,161 and had net cash outflows from operating activities of \$38,995,191 for the financial year ended 31 December 2022. As at that date, the Group had a cash balance of \$13,805,328.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Company has an established track record of successfully raising new capital and debt facilities. This includes completing a capital raise of \$35 million before costs in February 2023.
- Recent successful results for the first-in-human trial for DurAVR™ completed with planned ongoing studies.
- In November 2022, the Company received conditional approval from the FDA to commence an EFS. In February 2023, expanded approval was received from the FDA that allows the Company to accelerate certain activities related to study execution.
- Retention of the manufacturing rights of ADAPT®'s CardioCel™ and VasculCel™ products until January 2024.
- Continued product innovation led by the TAVR program and other large market opportunities that are at varying stages of design development, regulatory clearance and user evaluation.
- New possible partnerships and alliances for TAVR products.
- Monitoring, containing and if required deferring operational costs, including R&D costs and capital expenditures.
- At the date of this report 2,825,474 options with expiry dates between now and 2029 are in-the-money and could be exercised at any time. If all of these were converted, they would generate \$31,446,940 of capital for the Company.

In the event that sufficient above opportunities do not eventuate, there are material uncertainties as to whether the Company and the Group will be able to continue as a going concern and therefore, whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company and Group not continue as a going concern.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. BASIS OF PREPARATION (continued)

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Anteris Technologies Ltd as at 31 December 2022 and the results of all subsidiaries for the year then ended. Anteris Technologies Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which Anteris Technologies Ltd has control. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill and liabilities in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(c) Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments, estimates and assumptions on historical experience and on other various factors, including expectations of future events that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed in the following notes:

Note 1(a)	Going concern
Note 7(b)	Research and Development Tax incentive
Note 7(d)	Lease liabilities

Covid-19 was declared a worldwide pandemic by the World Health Organisation on 11 March 2020. The measures to slow the spread of Covid-19 have had a significant impact on the global economy. The chief disruption to the Group since Covid-19 originated, was a slow down in the in-human patient trials as well as to corporate and medical conferences due to event cancellations and travel restrictions. Accordingly there has not been an associated impact on accounting estimates due to Covid-19.

Additional commentary has been made around the impact of Covid-19 where considered significant to that disclosure.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2. SEGMENT REPORTING

(a) Description of segments

Segment information is presented using a management approach, i.e. segment information is provided on the same basis as information as used for internal reporting purposes by the chief operating decision maker ("CODM", being the CEO that makes key strategic decisions). The CODM is responsible for the allocation of resources and assessing the performance of the Group. Management has determined that the activities of the business as reviewed by the CODM are one segment, being the development and commercialisation of the ADAPT® platform technology. This is focused on the DurAVR™ Transcatheter Heart Valve System.

The comparative segment information has been restated as Anteris previously reported the operations as two segments.

	2022 \$	Restated 2021 \$
Total segment revenue ¹	4,590,047	7,790,957
Segment profit/(loss)	(44,340,161)	(22,907,027)
Depreciation & amortisation	1,741,920	1,354,182
Segment assets	23,479,404	29,481,678
Segment liabilities	(10,261,629)	(15,133,808)
Acquisition of non-current assets	3,491,571	1,164,749

¹ Segment revenue was earned in the following countries, Australia \$2,625,634, United States \$1,964,413 (2021: Australia \$6,531,466, United States \$1,259,491).

(b) Geographic information

Segment revenues and assets have been based on the geographic location of the customers and assets.

	2022 \$	2021 \$
Revenue		
Australia	25,996	172,360
United States	3,502,199	4,914,924
Switzerland	1,061,852	2,703,673
	4,590,047	7,790,957
Non-current assets		
Australia	2,073,814	2,776,580
United States	3,046,389	705,181
Switzerland	293,409	160,421
	5,413,612	3,642,182

(c) Major customers

Revenues of \$2,616,637 and \$1,964,413 were derived from two external customers (2021: \$6,517,374 and \$1,259,491 of revenue derived from two external customers).

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

3. REVENUE AND OTHER INCOME

	2022 \$	2021 \$
Revenue from continuing operations		
Sale of goods		
Revenue from contracts with customers, at a point in time	4,590,047	7,790,957
Other income		
Government grants ¹	1,824,793	1,374,249
Interest income	308,463	91,396
Sundry income	2,839	9,595
Total other income	2,136,095	1,475,240

¹ Government grants consists of \$1,403,512 Research and Development Tax Incentive income accrued relating to the year ended 31 December 2022; \$399,281 Research and Development Tax Incentive income recognised relating to the year ended 31 December 2021; and a Growth grant of \$22,000.

Recognition and Measurement

Sale of goods

Revenue from the sale of goods for the ADAPT® business unit is recognised when control of goods transfers to the customer. Revenue is recognised at an amount which reflects the consideration to which the Group expects to be entitled in exchange for those goods. Revenue received for a contract that includes variable consideration (i.e. sales rebates relating to volume discounts), are subject to revised conditions for recognition, whereby it must be highly probable that no significant reversal of the variable amount may occur when the uncertainties around its measurement are removed. The amount of revenue recognised is estimated based on sales terms and historical experience.

The Company generates its revenue from direct product sales and typically does not have any significant unusual payment terms beyond 30 days in its contracts with customers.

Product returns are typically not significant because returns are generally not allowed unless the products do not meet all applicable specifications. In these circumstances, the Company will replace the product and defer revenue recognition until the replacement products are delivered to the customer. The Company does not offer warranties on its products.

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government Grants

Grants from the Government, including a Research and Development Tax incentive, are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs incurred are recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

4. EXPENSES

	Note	2022 \$	2021 \$
Depreciation and amortisation			
Depreciation of Plant and equipment	7(c)	766,113	495,321
Depreciation of Right-of-Use Assets	7(d)	687,407	575,263
Amortisation of Intangibles	7(e)	288,400	283,598
		1,741,920	1,354,182
Employee benefits			
Remuneration and on-costs		16,301,112	12,681,171
Superannuation and pension expenses		650,863	553,401
Other employee benefits		796,934	374,680
		17,748,909	13,609,252
Share-based payments	18	4,700,449	341,803
Financing costs			
Interest and finance charges		85,395	318,862
Interest expense on lease liabilities		164,721	172,644
Amortisation of transaction costs		717,235	1,012,760
Unwind discount on liabilities		110,389	9,880
		1,077,740	1,514,146

5. INCOME TAX

	2022 \$	2021 \$
(a) Numerical reconciliation of income tax benefit to prima facie tax payable		
Loss from continuing operations before income tax expense	(44,340,161)	(22,907,027)
Tax expense/(benefit) at the Australian tax rate of 25.0% (2021: 25.0%)	(11,085,040)	(5,726,757)
Tax effect of amounts that are not deductible/(taxable) in calculating taxable income:		
Share based payments	216,249	85,451
Non-assessable income	(438,606)	(299,112)
Non-deductible expenses	502,761	283,927
Other costs deductible for tax purposes	(323,151)	-
Research and development expenditure	806,616	687,615
Foreign exchange (gains) and losses	1,202,639	603,243
Subtotal	(9,118,532)	(4,365,633)
Adjustment for difference in foreign tax rates	1,083,830	494,620
Total tax expense/(benefit)	(8,034,702)	(3,871,013)
Deferred tax – current year benefits not recognised	8,034,702	3,871,013
Income tax expense/(benefit)	-	-

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

5. INCOME TAX (continued)

(b) Amounts recognised directly in equity

Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:

	2022 \$	2021 \$
Deferred tax: Australian share issue costs	195,579	(160,111)
Deferred tax: Foreign share based payments	(1,113,448)	-
	(917,869)	(160,111)
Deferred tax - current year benefits not recognised	917,869	160,111
Net amount recognised in equity	-	-

(c) Deferred Tax Assets/(Liabilities)

The composition and movement of deferred tax assets/(liabilities) is as follows:

	Balance 1 January 2021 \$	Recognised in profit or loss \$	Recognised in equity \$	Balance 31 December 2021 \$	Recognised in profit or loss \$	Recognised in equity \$	Balance 31 December 2022 \$
Provisions	283,630	(32,089)	-	251,541	65,290	-	316,831
Accruals	361,649	169,516	-	531,165	10,152	-	541,317
Share issue costs	460,969	-	160,111	621,080	-	(195,579)	425,501
Other capitalised costs	-	-	-	-	404,747	-	404,747
Foreign share-based payments	-	-	-	-	804,873	1,113,448	1,918,321
Lease liabilities	-	-	-	-	250,674	-	250,674
Plant and equipment	42,469	(113,572)	-	(71,103)	(121,652)	-	(192,755)
Capitalised R&D for foreign jurisdictions	-	-	-	-	2,415,713	-	2,415,713
Right-of-use assets	-	-	-	-	(211,084)	-	(211,084)
Intangible assets	266,990	49,227	-	316,217	(120,904)	-	195,313
FX gains/losses	(96,708)	501,025	-	404,317	(1,353,726)	-	(949,409)
Sub-total	1,318,999	574,107	160,111	2,053,217	2,144,083	917,869	5,115,169
Unrecognised net deferred tax assets	(1,318,999)	(574,107)	(160,111)	(2,053,217)	(2,144,083)	(917,869)	(5,115,169)
Tax assets	-	-	-	-	-	-	-

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

5. INCOME TAX (continued)

(c) Deferred Tax Assets/(Liabilities) (continued)

Deferred tax assets/(liabilities) are attributable to the following:

	Assets		Liabilities		Net	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Provisions	316,831	251,541	-	-	316,831	251,541
Accruals	541,317	531,165	-	-	541,317	531,165
Share issue costs	425,501	621,080	-	-	425,501	621,080
Other capitalised costs	404,747	-	-	-	404,747	-
Foreign share-based payments	1,918,321	-	-	-	1,918,321	-
Lease liabilities	250,674	-	-	-	250,674	-
Plant and equipment	-	-	(192,755)	(71,103)	(192,755)	(71,103)
Capitalised R&D for foreign jurisdictions	2,415,713	-	-	-	2,415,713	-
Right-of-use assets	-	-	(211,084)	-	(211,084)	-
Intangible assets	195,313	316,217	-	-	195,313	316,217
FX gains/losses	-	404,317	(949,409)	-	(949,409)	404,317
Sub-total	6,468,417	2,124,320	(1,353,248)	(71,103)	5,115,169	2,053,217
Set off deferred tax liabilities	(1,353,248)	(71,103)	1,353,248	71,103	-	-
Unrecognised net deferred tax assets	(5,115,169)	(2,053,217)	-	-	(5,115,169)	(2,053,217)
Tax assets	-	-	-	-	-	-

(d) Tax losses

Unused tax losses for which no deferred tax assets have been recognised:

	2022 \$	2021 \$
Australian losses	65,436,741	53,895,155
Foreign losses	83,974,228	66,864,468
Total losses	149,410,969	120,759,623
Potential tax benefit	33,247,257	26,582,323

Included within the Australian losses disclosed above, the Australian tax consolidated group has \$8,257,010 (2021: \$8,257,010) of transferred losses which are subject to loss recoupment testing and their available fraction which limits the annual rate at which losses may be claimed by the Parent entity.

Anteris' Group tax losses are subject to laws and regulations specific to each geography in which they were incurred, which may impact on the Group's ability to utilise these losses in the future. Tax losses for which no deferred tax asset have been recognised expire as follows:

	2022 \$	Expiry date	2021 \$	Expiry date
Expire	26,905,474	2023 - 2037	28,532,516	2022 - 2037
Never expire	122,505,495	-	92,227,107	-

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

5. INCOME TAX (continued)

(e) Recognition and Measurement

The income tax expense or benefit for the year is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Tax Consolidation

Anteris Technologies Ltd and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation legislation. The parent entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts.

In addition to its own current and deferred tax amounts, the parent entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgment is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of deferred income tax assets is reviewed at the reporting date. Changes in circumstances may alter expectations and affect the carrying amount of deferred tax assets and liabilities. Any resulting adjustment to the carrying value of a deferred tax item will be recorded to the consolidated statement of profit or loss.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

6. FINANCIAL ASSETS AND LIABILITIES

		2022 \$			2021 \$		
		Current	Non-current	Total	Current	Non-current	Total
Financial assets	Notes						
Cash and cash equivalents							
Cash at bank	6(a)	13,716,572	-	13,716,572	21,211,308	-	21,211,308
Short term deposits	6(a)	88,756	-	88,756	88,556	-	88,556
Total Cash and cash equivalents		13,805,328	-	13,805,328	21,299,864	-	21,299,864
Trade and other receivables							
Trade receivables	6(b)	650,811	-	650,811	282,508	-	282,508
Other receivables	6(b)	181,181	-	181,181	1,073,502	-	1,073,502
Total Trade and other receivables		831,992	-	831,992	1,356,010	-	1,356,010
Total financial assets		14,637,320	-	14,637,320	22,655,874	-	22,655,874
		2022 \$			2021 \$		
		Current	Non-current	Total	Current	Non-current	Total
Financial liabilities	Notes						
Trade and other payables							
Trade payables	6(c)	2,548,885	-	2,548,885	3,072,039	-	3,072,039
Other payables	6(c)	3,579,218	-	3,579,218	3,496,245	-	3,496,245
Total Trade and other payables		6,128,103	-	6,128,103	6,568,284	-	6,568,284
Borrowings							
Borrowings	6(d)	-	-	-	4,682,765	-	4,682,765
Total Borrowings		-	-	-	4,682,765	-	4,682,765
Financial Instruments							
Embedded derivatives	6(e)	-	-	-	581,136	-	581,136
Warrants	6(f)	-	1,382,298	1,382,298	-	1,210,398	1,210,398
Total Financial instruments		-	1,382,298	1,382,298	581,136	1,210,398	1,791,534
Total financial liabilities		6,128,103	1,382,298	7,510,401	11,832,185	1,210,398	13,042,583

6(a) Cash and cash equivalents

Recognition and measurement

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

6. FINANCIAL ASSETS AND LIABILITIES (continued)

6(b) Trade and other receivables

Recognition and measurement

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 days and therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are subject to the expected credit loss model. The Company applies the AASB 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period greater than 120 days past due. Impairment losses on trade receivables are presented within operating profit or loss. Subsequent recoveries on amounts previously written off are credited against the same line item.

Other receivables are recognised at amortised cost, less any expected loss allowance.

The allowance for impairment of receivables is assessed by considering the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Refer to Note 12 for information on the risk management policy of the Group.

Trade receivables

As at 31 December 2022, no trade receivables (2021: \$nil) were more than 30 days past due. The ageing analysis of these trade receivables is as follows:

	Gross amount		Allowance for expected credit losses		Carrying amount	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Not overdue	603,414	122,724	-	-	603,414	122,724
Less than 30 days overdue	47,397	159,784	-	-	47,397	159,784
Total	650,811	282,508	-	-	650,811	282,508

Based on the history of ageing classes within trade and other receivables, it is expected that the above amounts will be received. The Company provides for expected credit losses on a customer by customer basis. Impairment losses on trade receivables were nil in the current year (2021: \$nil).

	2022 \$	2021 \$
Opening balance	-	(56,083)
Additional provisions recognised	-	-
Receivables written off as uncollectable	-	56,083
Unused amounts reversed	-	-
Closing balance	-	-

Other receivables

During the year, the Group received \$1,043,614 (USD670,000) from LeMaitre Vascular, Inc., being the deferred settlement payment relating to the sale of distribution rights which occurred in 2019.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

6. FINANCIAL ASSETS AND LIABILITIES (continued)

6(c) Trade and other payables

Recognition and measurement

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Refer to Note 12 for information on the risk management policy of the Group.

6(d) Borrowings

	2022 \$	2021 \$
Convertible notes	-	5,236,539
Capitalised transaction costs	-	(553,774)
	-	4,682,765

The convertible notes were a component of the Mercer Street Global Opportunity Fund, LLC ("Mercer") funding package which was entered into in the prior year. As disclosed in note 9(b)(iv), the convertible notes were converted into shares and \$1,350,000 was repaid in cash during the 2022 year.

The Mercer funding package includes a put option facility allowing the Company, subject to a number of conditions, to request funding from Mercer of up to \$16,500,000 in exchange for shares with a deemed issue price equal to 90% of the average 5-day VWAP at the time the Company makes the call. As part of the conditions underlying the put option facility, 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%. The put option expired on 6 January 2023.

Recognition and measurement

Interest-bearing borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Convertible notes with embedded derivatives

Convertible notes can be converted to ordinary shares at the option of the holder.

For convertible notes with embedded derivative liabilities, the embedded derivative liability is initially measured at fair value at the date the contract is entered into and deducted from the value of the host financial liability. Subsequent to initial recognition, the derivative liability is remeasured to fair value at the end of each reporting period with the change in fair value recognised in profit or loss.

The host financial liability is measured at amortised cost (net of transaction costs) using the effective interest method until it is extinguished on conversion or redemption. Interest related to the financial liability is recognised in profit or loss.

6(e) Embedded derivatives

The embedded derivatives were associated with the Convertible notes issued in 2021 (refer to note 6(d)). The embedded derivative component of the convertible notes were valued using Monte Carlo simulations using risk neutral valuation techniques and sampling procedures to calculate the expected payoffs from the convertible notes under a range of different outcomes. The convertible notes were converted and/or repaid during the year.

Recognition and measurement

The embedded derivatives are derivatives with changes in fair value recognised in profit or loss.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

6. FINANCIAL ASSETS AND LIABILITIES (continued)

6(f) Warrants

In conjunction with receiving a loan facility from Partners For Growth ("PFG") in October 2017, Anteris Technologies Ltd issued PFG warrants expiring on 26 October 2024 for the issue of 49,388 ordinary shares in the Company at an exercise price of AUD\$25.31 per share. The holder of the warrants also have the option to put the warrants to the Company for AUD\$1,500,000 on expiry or on the occurrence of certain events. Both these components need to be considered when determining the valuation of the warrant.

The value of the call option component of the warrant in relation to the issue of the shares has been determined using a Black Scholes pricing model that incorporates a share price hurdle. The share price hurdle reflects the fact the call option will only be exercised in circumstances where the value that can be derived from exercising the call option exceeds the value that can be derived from the put option. The value of the put option is determined having regard to a discounted cash flow methodology to calculate its risk-adjusted present value.

The key judgemental inputs used in the measurement of the fair values at reporting date are as follows:

	2022	2021
Volatility	70.0%	85.0%
Put option discount rate	14.75%	14.75%

Recognition and measurement

The warrants are derivatives with changes in fair value recognised in profit or loss. Refer above for the method and assumptions used in determining the fair value of the warrants.

6(g) Cash flow information

Reconciliation of Loss After Income Tax to Net Cash Outflow from Operating Activities

	2022 \$	2021 \$
Loss for the year	(44,340,161)	(22,907,027)
Adjustments for:		
Depreciation and amortisation expense	1,741,920	1,354,182
Non-cash share based payments expense	4,700,449	341,803
Non-cash financing costs	717,235	1,185,213
Fair value movement of derivatives	347,492	466,648
Foreign exchange differences	(2,334,756)	(606,207)
Loss on disposal of patents	92,765	-
(Gain)/Loss on disposal of plant and equipment	(709)	41,183
Sundry	(1,813)	(4,858)
Changes in:		
Receivables and other assets	(983,951)	(51,934)
Inventories	232,844	(64,281)
Trade and other payables	533,861	1,501,599
Provisions	299,633	(65,930)
Net cash outflow from operating activities	(38,995,191)	(18,809,609)

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

6. FINANCIAL ASSETS AND LIABILITIES (continued)

6(g) Cash flow information (continued)

Non-cash investing and financing activities

The Group had the following non-cash investing and financing activities:

- The Group recognised an additional \$1,033,400 (2021: \$332,500) of lease liabilities and right-of-use assets during the year.
- In prior year, capitalised transaction costs included the fair value of options totalling \$1,355,394 and the fair value of shares totalling \$471,500 which were issued to external investors as part of capital raising transactions.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	2022 \$	2021 \$
Opening balance - Borrowings	4,682,765	2,553,814
Changes from financing cash flows		
Proceeds from borrowings	-	5,000,000
Repayment of borrowings	(1,350,000)	(2,791,128)
Term facility transaction costs	-	(518,738)
Total changes from financing cash flows	(1,350,000)	1,690,134
Other changes		
Non-cash transaction costs on borrowings	-	(385,765)
Recognition of embedded derivatives	-	(387,277)
Conversion of convertible notes into ordinary shares	(4,050,000)	-
Amortisation of transaction costs	717,235	1,182,292
Facility costs (accrual) / reversal	-	29,567
Total other changes	(3,332,765)	438,817
Closing balance - Borrowings	-	4,682,765

7. NON-FINANCIAL ASSETS AND LIABILITIES

		2022 \$			2021 \$		
Non-Financial assets	Notes	Current	Non-current	Total	Current	Non-current	Total
Inventories	7(a)	524,901	-	524,901	757,745	-	757,745
Other assets	7(b)	1,403,512	-	1,403,512	1,196,449	-	1,196,449
Plant and equipment	7(c)	-	3,307,889	3,307,889	-	1,666,124	1,666,124
Right-of-use assets	7(d)	-	1,209,268	1,209,268	-	830,863	830,863
Intangible assets	7(e)	-	896,455	896,455	-	1,145,195	1,145,195
Total non-financial assets		1,928,413	5,413,612	7,342,025	1,954,194	3,642,182	5,596,376

		2022 \$			2021 \$		
Non-Financial liabilities	Notes	Current	Non-current	Total	Current	Non-current	Total
Provisions							
Employee benefit provisions	7(f)	655,227	45,375	700,602	484,240	42,092	526,332
Lease make good provisions	7(f)	-	644,300	644,300	-	518,193	518,193
Total Provisions		655,227	689,675	1,344,902	484,240	560,285	1,044,525
Lease Liabilities	7(d)	757,206	649,120	1,406,326	625,240	421,460	1,046,700
Total non-financial liabilities		1,412,433	1,338,795	2,751,228	1,109,480	981,745	2,091,225

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

7. NON-FINANCIAL ASSETS AND LIABILITIES (continued)

7(a) Inventories

	2022 \$	2021 \$
Raw materials – at cost	395,729	342,277
Work in progress – at cost	121,370	267,878
Finished goods – at cost	7,802	147,590
	524,901	757,745
Provision for write-down of inventory	-	-
	524,901	757,745

The write-down of inventories to net realisable value recognised as an expense during the year ended 31 December 2022 amounted to nil (2021: \$Nil).

Recognition and measurement

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a weighted average cost formula. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, plus an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of allowance is assessed by considering the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

7(b) Other assets

Other assets includes \$1,403,512 for a research and development tax incentive grant to be claimed from the Australian Tax Office in relation to costs incurred in 2022 (2021: \$1,196,449).

Critical accounting estimates

Research and development tax incentive

Significant judgment is required in determining the amount and timing of recognition of the research and development tax incentive asset. As the grant requirements are complex, the Group performs detailed analysis over eligible expenditure based on the criteria set by the relevant taxation authorities and assesses whether there is reasonable assurance that the research and development tax incentive grant will be received.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

7. NON-FINANCIAL ASSETS AND LIABILITIES (continued)

7(c) Plant and equipment

	2022 \$	2021 \$
Plant & equipment		
Cost	7,149,588	4,979,896
Accumulated depreciation	(3,841,699)	(3,313,772)
Net book amount	3,307,889	1,666,124
Reconciliation		
Opening net book amount	1,666,124	1,372,318
Additions	2,328,228	819,779
Disposals	(5,057)	(51,632)
Depreciation	(766,113)	(495,321)
Exchange rate differences	84,707	20,980
Closing net book amount	3,307,889	1,666,124

Recognition and measurement

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-10 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of plant and equipment is de-recognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

The Group determines the estimated useful lives and related depreciation for its plant and equipment. The useful lives could change significantly because of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off.

7(d) Leases

This note provides information for leases where the group is a lessee.

The Group leases laboratory facilities and offices. These leases typically include leases options to renew the lease at which time the lease payments are subject to market adjustments and/or set price increases. Extension and termination options are included in a number of the property leases to allow for flexibility in terms of corporate growth and managing the assets used in the Group's operations. No termination options have been included in the lease liability at 31 December 2022. During 2022, the Group extended a number of the existing property leases and entered into a new lease for laboratory facilities in USA. The property leases expire between 2024 and 2026, but include options to extend.

The Group leases IT equipment with contract terms of 2-5 years. Most of these leases are of low-value items.

The Group leases a motor vehicle with a contract term of 3 years with a balloon payment at the end of the lease.

The contractual undiscounted cash flows of lease liabilities is disclosed in note 12(d).

Recognition and measurement

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the lease commencement date, the Group recognises a right-of-use (ROU) asset (the right to use the leased item) and a corresponding lease liability.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

7. NON-FINANCIAL ASSETS AND LIABILITIES (continued)

7(d) Leases (continued)

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The related lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The exceptions are short-term leases (being those leases which have a term of 12 months or less or had a remaining term of less than 12 months at the adoption date) and low value leases (being those leases with a value of less than \$5,000). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Critical accounting estimates

Lessees are required to discount future lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. Generally, for operating leases, the Group cannot determine the interest rate implicit in the lease because it does not have access to the lessor's estimated residual value or the amount of the lessor's deferred initial direct costs. Therefore, the Group generally uses its incremental borrowing rate as the discount rate for the lease. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow an amount equal to the lease payments in a similar economic environment and on a collateralised basis over a similar term.

Extension and termination options are included in a number of property leases across the group and are an area of judgement. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(i) Amounts recognised in the Statement of financial position

The Statement of financial position includes right-of-use assets and lease liabilities relating to leases.

Right-of Use assets reconciliation

31 DECEMBER 2022	Property \$	IT equipment \$	Motor Vehicles \$	Total \$
Right-of-Use Assets				
Cost	3,042,562	113,032	68,520	3,224,114
Accumulated depreciation	(1,878,596)	(71,537)	(64,713)	(2,014,846)
Net book amount	1,163,966	41,495	3,807	1,209,268
Reconciliation				
Opening net book value at 1 January 2022	714,583	89,633	26,647	830,863
Additions and modifications	1,033,400	-	-	1,033,400
Derecognition of right-of-use assets	-	(7,366)	-	(7,366)
Depreciation charge	(622,032)	(42,535)	(22,840)	(687,407)
Exchange rate differences	38,015	1,763	-	39,778
Closing net book amount	1,163,966	41,495	3,807	1,209,268

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

7. NON-FINANCIAL ASSETS AND LIABILITIES (continued)

7(d) Leases (continued)

(i) Amounts recognised in the Statement of financial position (continued)

31 DECEMBER 2021	Property \$	IT equipment \$	Motor Vehicles \$	Total \$
Right-of-Use Assets				
Cost	1,922,631	132,339	68,520	2,123,490
Accumulated depreciation	(1,208,048)	(42,706)	(41,873)	(1,292,627)
Net book amount	714,583	89,633	26,647	830,863
Reconciliation				
Opening net book value at 1 January 2021	955,161	54,079	49,487	1,058,727
Additions and modifications	241,937	90,563	-	332,500
Derecognition of right-of-use assets	-	(6,757)	-	(6,757)
Depreciation charge	(501,652)	(50,771)	(22,840)	(575,263)
Exchange rate differences	19,137	2,519	-	21,656
Closing net book amount	714,583	89,633	26,647	830,863
Lease liability reconciliation				
31 DECEMBER 2022	Property \$	IT equipment \$	Motor Vehicles \$	Total \$
Current lease liabilities	692,445	32,152	32,609	757,206
Non-current lease liabilities	636,282	12,838	-	649,120
Total	1,328,727	44,990	32,609	1,406,326
Reconciliation				
Opening net value at 1 January 2022	907,315	92,802	46,583	1,046,700
Additions and modifications	1,033,400	-	-	1,033,400
Derecognition of right-of-use assets	-	(9,180)	-	(9,180)
Principal repaid	(656,487)	(42,327)	(13,974)	(712,788)
Exchange rate differences	44,499	3,695	-	48,194
Closing net book amount	1,328,727	44,990	32,609	1,406,326
31 DECEMBER 2021	Property \$	IT equipment \$	Motor Vehicles \$	Total \$
Current lease liabilities	566,954	46,318	11,968	625,240
Non-current lease liabilities	340,361	46,484	34,615	421,460
Total	907,315	92,802	46,583	1,046,700
Reconciliation				
Opening net value at 1 January 2021	1,113,086	57,507	58,548	1,229,141
Additions and modifications	241,937	90,563	-	332,500
Derecognition of right-of-use assets	-	(7,693)	-	(7,693)
Principal repaid	(475,462)	(51,152)	(11,965)	(538,579)
Exchange rate differences	27,754	3,577	-	31,331
Closing net book amount	907,315	92,802	46,583	1,046,700

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

7. NON-FINANCIAL ASSETS AND LIABILITIES (continued)

7(d) Leases (continued)

(ii) Amounts recognised in the Statement of profit or loss

The Statement of profit or loss shows the following amounts relating to leases:

	2022 \$	2021 \$
Depreciation expense	687,407	575,263
Interest expense (included in financing costs)	164,721	172,644
Expense relating to leases of low-value assets (included in IT and telecommunications expenses)	47,731	25,662

The total cash outflow for leases in 2022 was \$925,240 (2021: \$736,885).

7(e) Intangible assets

31 DECEMBER 2022	Patents \$	Software \$	Intellectual property \$	Total \$
Intangible assets				
Cost	397,463	144,900	3,500,000	4,042,363
Accumulated depreciation	(278,481)	(23,531)	(2,843,896)	(3,145,908)
Net book amount	118,982	121,369	656,104	896,455
Reconciliation				
Opening net book amount	227,860	11,847	905,488	1,145,195
Additions – external purchases	-	129,943	-	129,943
Disposals	(92,764)	-	-	(92,764)
Amortisation	(16,114)	(22,902)	(249,384)	(288,400)
Exchange rate differences	-	2,481	-	2,481
Closing net book amount	118,982	121,369	656,104	896,455

31 DECEMBER 2021	Patents \$	Software \$	Intellectual property \$	Total \$
Intangible assets				
Cost	671,817	12,470	3,500,000	4,184,287
Accumulated depreciation	(443,957)	(623)	(2,594,512)	(3,039,092)
Net book amount	227,860	11,847	905,488	1,145,195
Reconciliation				
Opening net book amount	261,451	-	1,154,872	1,416,323
Additions – external purchases	-	12,470	-	12,470
Amortisation	(33,591)	(623)	(249,384)	(283,598)
Closing net book amount	227,860	11,847	905,488	1,145,195

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

7. NON-FINANCIAL ASSETS AND LIABILITIES (continued)

7(e) Intangible assets (continued)

Recognition and measurement

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the de-recognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset.

The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised, up to the stage of commercialisation, when it is probable that the project will be a success considering its commercial and technical feasibility; the Group can use or sell the asset; the Group has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit. To date, no research and development costs have been capitalised.

The research and development costs recognised in the consolidated statement of profit or loss includes the costs of R&D consultants, trials, materials, testing and regulatory costs associated with the aortic valve replacement research program. Employee costs are separately disclosed.

Intellectual property

The intellectual property relates to the ADAPT® tissue engineering technology and was recognised based on an external valuation following a business combination. It is being amortised on a straight-line basis over the period of its expected benefit, being 14 years.

Patents and trademarks

Significant costs associated with patents and trademarks are capitalised and amortised on a straight-line basis over the period of their expected benefit, being their finite life of up to 20 years.

Impairment of intangible assets

Intangible assets with definite lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an intangible asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

The Group assesses impairment of intangible assets at each reporting date by evaluating conditions specific to the Group and to the asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate several key estimates and assumptions.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

7. NON-FINANCIAL ASSETS AND LIABILITIES (continued)

7(f) Provisions

	2022 \$	2021 \$
Current		
Provision for annual leave	602,410	457,307
Provision for long service leave	52,817	26,933
	655,227	484,240
Non-current		
Provision for long service leave	45,375	42,092
Lease make good provision	644,300	518,193
	689,675	560,285

Movements in provisions

	Provision for annual leave	Provision for long service leave	Lease make good provision	Total
Balance at 1 January 2022	457,307	69,025	518,193	1,044,525
Provisions made during the year	839,986	32,090	124,840	996,916
Provisions used during the year	(651,081)	-	-	(651,081)
Provisions reversed during the year	(45,658)	(2,923)	-	(48,581)
Currency translation differences	1,856	-	1,267	3,123
Balance at 31 December 2022	602,410	98,192	644,300	1,344,902

(i) Recognition and measurement

Provisions are recognised when the Group has a present (legal or constructive) obligation due to a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(ii) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(iii) Lease make good

The lease make good provision relates to the removing of leasehold improvements including laboratories, offices and clean rooms in accordance with the lease agreements.

The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

8. FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

The table does not include carrying amounts of other financial assets and liabilities not measured at fair value as the carrying amounts are a reasonable approximation of their fair values.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 December 2022				
<i>Liabilities</i>				
Warrant	-	-	1,382,298	1,382,298
Total liabilities	-	-	1,382,298	1,382,298
31 December 2021				
<i>Liabilities</i>				
Convertible notes – embedded derivative component	-	581,136	-	581,136
Warrant	-	1,210,398	-	1,210,398
Total liabilities	-	1,791,534	-	1,791,534

The following table shows a reconciliation from the opening balances to the closing balances for level 3 fair values (2021: Nil):

	Balance at 1 January 2022 \$	Transfer into level 3 \$	Unrealised net change in Fair value movement of derivatives in profit or loss \$	Balance at 31 December 2022 \$
Warrant	-	1,210,398	171,900	1,382,298

The warrant has been transferred into Level 3 of the fair value hierarchy given the increased complexity associated with movements in interest rates.

For the fair value of the warrant, reasonably possible changes at the reporting date were applied to one of the significant unobservable inputs, holding other inputs constant would have the followings effects on the profit or loss (2021: Nil).

	Increase \$	Decrease \$
Risk-adjusted put price discount rate (100 basis points)	(16,410)	16,819

Refer to note 6(f) for the description of the warrant valuation process and inputs used by Anteris.

Recognition and measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

8. FAIR VALUE MEASUREMENT (continued)

Recognition and measurement (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation.

9. CONTRIBUTED EQUITY

(a) Share Capital

	NUMBER		\$	
	2022	2021	2022	2021
Ordinary shares, fully paid	13,901,883	11,093,845	211,832,403	172,638,045

The Company does not have authorised capital or par value in respect of its issued shares.

All ordinary shares rank equally. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

(b) Movements in Ordinary Share Capital

Details	Date	Notes	No. shares	\$ per share	\$
Balance	1 JAN 2021		6,227,258		138,740,016
Exercise of unlisted EIP options			670	4.52	3,030
Share placement			341,545	3.43	1,171,500
Share placement			55,838	9.85	550,000
Share placement			310,386	7.50	2,327,895
Share placement			1,125,000	8.00	9,000,000
Share placement			625,000	8.00	5,000,000
Share placement			37,500	8.00	300,000
Exercise of listed options			2,370,648	8.00	18,965,184
Transaction costs					(3,419,580)
Balance	31 DEC 2021		11,093,845		172,638,045
Exercise of unlisted EIP options		(i)	3,672	4.96	18,204
Exercise of unlisted options		(ii)	646,152	10.00	6,461,520
Exercise of unlisted options		(ii)	70,834	11.50	814,591
Share placement		(iii)	1,840,000	15.00	27,600,000
Exercise of convertible notes		(iv)	116,883	15.10	1,764,933
Exercise of convertible notes		(iv)	71,571	20.60	1,474,363
Exercise of convertible notes		(iv)	58,926	26.60	1,567,432
Transaction costs					(506,685)
Balance	31 DEC 2022		13,901,883		211,832,403

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

9. CONTRIBUTED EQUITY (continued)

(b) Movements in Ordinary Share Capital (continued)

(i) Exercise of unlisted EIP options

During the year, unlisted options issued under the Anteris Employee Incentive Plan were exercised. These options had various exercise prices and expiry dates with a weighted average exercise price of \$4.96.

(ii) Exercise of unlisted options

During the year, external investors exercised the following options:

- 646,152 unlisted options were exercised for \$10.00 per share raising \$6,461,520.
- 70,834 unlisted options were exercised for \$11.50 per share raising \$814,591.

(iii) Share placements

On 2 March 2022, 1,840,000 new shares were issued to Perceptive Life Sciences Master Fund, Ltd at \$15.00 per share for total consideration of \$27,600,000.

(iv) Exercise of convertible notes

The conversion prices were set at 90% of the volume weighted average price of the shares for the five trading days on which the shares traded in the ordinary course of business on the ASX ending on the date immediately prior to issue of a relevant conversion notice. The dollar per share figures disclosed in the Movements in Ordinary Share Capital table (prior page) are the share prices on the dates of issue as the equity instruments are recognised at fair value in share capital when issued.

Upon settlement of the convertible note the derivative is remeasured to fair value, and the change in value recognised in the consolidated statement of profit or loss as fair value movement of derivatives.

On 17 May 2022, 116,883 new shares were issued to Mercer Street Global Opportunity Fund ('Mercer') upon conversion of 1,620,000 convertible notes using a conversion price of \$13.86 per share.

On 1 June 2022, 71,571 new shares were issued to Mercer upon conversion of 1,080,000 convertible notes using a conversion price of \$15.09 per share.

On 1 August 2022, Mercer converted 1,350,000 of its third tranche of convertible notes with a face value of \$1,350,000 into 58,926 ordinary shares at a conversion price of \$22.91. The remaining portion of the third tranche of convertible notes with a face value of \$1,350,000 was repaid in cash on 3 August 2022.

(c) Recognition and measurement

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(d) Capital Risk Management

The Company's objective when managing capital is to safeguard the ability to continue as a going concern and to provide returns for shareholders and benefits for other stakeholders and to maintain capital structure to reduce the cost of capital. The Board and Executive have developed a detailed Capital Management Plan to set the short to medium strategy on the management of the Company's capital.

The Board of Directors monitors capital including cash held, projected timing for net cash outflows including operational uses, repayment of loans and borrowings, and conversion of options as part of each Board meeting or more frequently as required. No formal targets are in place for return on capital or gearing.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

10. EQUITY – RESERVES

(a) Reserves

	2022 \$	2021 \$
Share based payments	11,797,873	7,097,424
Other reserve	(6,885,884)	(6,885,884)
Foreign currency translation reserve	(1,506,849)	(822,108)
	3,405,140	(610,568)

(b) Share based payments

Refer to Note 18 for details of share based payments.

(c) Reconciliation – Other reserve

	2022 \$	2021 \$
Opening balances	(6,885,884)	(7,243,027)
Options issued to external investors	-	357,143
Closing balance	(6,885,884)	(6,885,884)

(d) Nature and purpose

Share based payments reserve

The share-based payments reserve is used to recognise the change in equity associated with a share-based payment.

Other reserve

The Other reserve reflects the additional consideration paid by the Company to acquire a portion of the remaining non-controlling interests of a subsidiary plus the value of options issued to external investors for nil consideration.

Foreign currency translation reserve

The foreign currency translation reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars, in addition to exchange differences on an entity's net investment in foreign operations.

11. LOSS PER SHARE

(a) Calculation of loss per share

		2022	2021
Weighted average number of ordinary shares used in the denominator in calculating basic and diluted loss per share	Number	13,362,583	7,415,014
Loss Used in Calculating basic and diluted Loss Per Share	\$	(44,340,161)	(22,907,027)
Basic and diluted loss per share	\$	3.32	3.09

(b) Information concerning classification of securities

No adjustments for the calculation of diluted earnings per share have been disclosed given that the potential shares are antidilutive.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

12. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks (including interest rate risk, credit risk and liquidity risk). The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and foreign exchange risk, and ageing analysis for credit risk.

Risk management is carried out by the Group with assistance as required from suitably qualified external advisors. Interest rate risk is managed for financial assets by investing in higher yielding term deposits with large financial institutions. Credit risk is monitored by regular age analysis of debtors as well as the initial assessment of the credit worthiness of counterparties.

The Group holds the following financial instruments:

	2022 \$	2021 \$
Financial assets		
Cash and cash equivalents	13,805,328	21,299,864
Trade and other receivables	831,992	1,356,010
	14,637,320	22,655,874
Financial liabilities		
Trade and other payables	6,128,103	6,568,284
Borrowings	-	4,682,765
Lease liabilities	1,406,326	1,046,700
Embedded derivatives	-	581,136
Warrants	1,382,298	1,210,398
	8,916,727	14,089,283
Net financial assets	5,720,593	8,566,591

(a) Market Risk

Interest rate risk

The Group's primary interest rate risk arises from cash and cash equivalents held. Term deposits and current accounts held with variable interest rates expose the Group to cash flow interest rate risk. The Group periodically places cash not required for immediate or short-term operational requirements on deposit for varying lengths to maximise interest returns and achieve greater certainty over returns.

The following sets out the Group's exposure to interest rate risk, including the effective weighted average interest rate:

Financial assets	Notes	2022		2021	
		Weighted average interest rate	Total \$	Weighted average interest rate	Total \$
Cash and cash equivalents	6(a)	0.78%	13,805,328	0.08%	21,299,864

Sensitivity

At 31 December 2022, if interest rates had increased by 50 basis points or decreased by 50 basis points (without dropping below nil interest rate) from the year end rates with all other variables held constant, the impact on post-tax loss for the year based on the closing cash balance would have been \$59,368 lower/\$59,368 higher (31 December 2021 changes 50 basis points: \$4,047 lower/\$23,837), mainly because of higher/lower interest income from cash and cash equivalents.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

12. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit Risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum acceptable credit rating are utilised. The credit risk of new customers is assessed at the time of a proposed transaction. The Group's current customers have a strong history of collectability but are regularly monitored by management for balances in arrears.

(c) Foreign currency risk management

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

The Group regularly monitors the level of foreign currency exposure and where appropriate, uses foreign exchange contracts and natural hedges to manage significant exposures. There were no foreign exchange contracts entered at 31 December 2022 (31 December 2021: nil).

The Group's manufacturing facilities are based in Australia, and the sales for the ADAPT® business are denominated in AUD and USD (2021: USD, EUR and AUD). The USD sales create an AUD denominated foreign exchange risk.

The summary quantitative data about the Groups' exposure to foreign exchange risk at the end of the reporting period, expressed in Australian Dollars is as follows:

In AUD	2022 \$	2021 \$
Currency		
USD	7,495,692	861,873
CHF	(1,758,027)	(1,137,990)
AUD ¹	(17,650,468)	(15,609,589)

¹ The foreign currency risk exposure relates to AUD balances held in subsidiary entities with non-AUD functional currencies.

Sensitivity

A 10% strengthening/(weakening) of the US dollar, Swiss franc or Australian dollar against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or (loss) by the amounts shown below.

In AUD	2022		2021	
	Strengthening \$	Weakening \$	Strengthening \$	Weakening \$
Currency				
USD	832,854	(681,427)	95,764	(78,352)
CHF	(195,337)	159,820	(126,443)	103,454
AUD	(1,961,163)	1,604,588	(1,734,399)	1,419,054

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

12. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity and debt funding.

The Group's exposure to the risk of changes in market interest rates relates primarily to cash assets and floating interest rates. The Group does not have significant interest-bearing liabilities with variable rates and is not materially exposed to changes in market interest rates. The Board of Directors monitors capital including cash held, projected timing for net cash outflows including operational uses, repayment of loans and borrowings, and conversion of options as part of each Board meeting or more frequently as required.

The Group held a discretionary drawdown facility totalling \$16,500,000 which was established through a funding package agreed with Mercer Street Global Opportunity Fund, LLC (Mercer) in January 2021. The put option facility gives Anteris the option to require Mercer to invest in new shares subject to certain terms and conditions. The terms and conditions 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%. At 31 December 2022, the total unused finance facility available to Anteris was \$13,125,646 (2021: \$3,717,354). The put option facility expired on 6 January 2023.

The Group held various financial liabilities at reporting date. Trade payables incurred in the normal course of the business were non-interest bearing and were due within the normal terms of creditor payments. The Company issued warrants expiring on 26 October 2024 for which the holder has the ability to convert the warrants to shares or to put that warrant to the Company for \$1,500,000.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. It is not expected that the cash flows included in the below maturity analysis could occur significantly earlier, or at significantly different amounts.

	Less than 6 months \$	6-12 months \$	1-2 years \$	2-5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount liabilities \$
At 31 December 2022							
Non-derivatives							
Trade and other payables	6,128,103	-	-	-	-	6,128,103	6,128,103
Lease liabilities	458,964	450,603	395,734	354,282	-	1,659,583	1,406,326
Total non-derivatives	6,587,067	450,603	395,734	354,282	-	7,787,686	7,534,429
Derivatives							
Warrant	-	-	1,500,000	-	-	1,500,000	1,382,298
Total derivatives	-	-	1,500,000	-	-	1,500,000	1,382,298
At 31 December 2021							
Non-derivatives							
Trade and other payables	6,568,284	-	-	-	-	6,568,284	6,568,284
Borrowings	1,620,000	3,780,000	-	-	-	5,400,000	4,682,765
Lease liabilities	378,111	367,596	417,722	37,853	-	1,201,282	1,046,700
Total non-derivatives	8,566,395	4,147,596	417,722	37,853	-	13,169,566	12,297,749
Derivatives							
Warrant	-	-	-	1,500,000	-	1,500,000	1,210,398
Total derivatives	-	-	-	1,500,000	-	1,500,000	1,210,398

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

12. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair Value Estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of receivables as well as trade payables are assumed to approximate their fair values due to their short-term nature.

The Group's principal financial instruments consist of cash and deposits with banks, accounts receivable, trade payables and loans payable. The main purpose of these non-derivative financial instruments is to finance the entity's operations.

13. CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy. The proportion of ownership interest is equal to the proportion of voting power held.

Name of entity	Class of share	Country of Incorporation	Equity Holding	
			2022 %	2021 %
Accounting Parent Entity				
Anteris Technologies Investments Pty Ltd ¹	Ordinary	Australia	100	100
Legal Parent Entity				
Anteris Technologies Ltd	Ordinary	Australia	-	-
Controlled Entities				
Admedus (NZ) Limited	Ordinary	New Zealand	100	100
Admedus (Australia) Pty Limited	Ordinary	Australia	100	100
Anteris Aus Operations Pty Ltd ²	Ordinary	Australia	100	100
Anteris Technologies Corporation	Ordinary	USA	100	100
Anteris Technologies Sàrl	Ordinary	Switzerland	100	100
Admedus Biomanufacturing Pty Ltd ³	Ordinary	Australia	100	100
Anteris Technologies Asia Pte Ltd ⁴	Ordinary	Singapore	100	100

¹ Previously Admedus Investments Pty Limited

² Previously Admedus Regen Pty Limited

³ On 1 January 2023 the Company's assets and liabilities were transferred to Anteris Aus Operations Pty Ltd

⁴ Previously Admedus (Singapore) Pte. Ltd.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

14. PARENT ENTITY INFORMATION

The following details information related to the legal parent entity, Anteris Technologies Ltd, at 31 December 2022.

The financial information presented below has been prepared on the same basis as the consolidated financial statements except that investments in subsidiaries are accounted for at cost, less impairment. These policies have been consistently applied to all the years presented, unless otherwise stated.

	PARENT COMPANY	
	2022 \$	2021 \$
Statement of financial position		
Current assets	12,989,233	23,108,510
Non-current assets	308,036	81,163
Total assets	13,297,269	23,189,673
Current liabilities	(1,820,167)	(9,593,956)
Non-current liabilities	(1,475,359)	(1,262,500)
Total liabilities	(3,295,526)	(10,856,456)
Contributed equity	236,188,573	196,994,215
Reserves	(63,084,333)	(29,596,470)
Accumulated losses	(155,064,528)	(147,414,605)
Loss for the year	(8,037,969)	(7,649,923)
Total equity	10,001,743	12,333,217
Statement of comprehensive income		
Loss for the year	(8,037,969)	(7,649,923)
Other comprehensive loss for the year	-	-
Total comprehensive loss for the year	(8,037,969)	(7,649,923)

Contingent liabilities of the parent entity

There were no contingent liabilities in relation to the current reporting period.

Commitments of the parent entity

The parent entity had no capital commitments for plant and equipment as at 31 December 2022 (2021: nil).

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

15. COMMITMENTS

At 31 December 2022, the Group had commitments to purchase \$1,238,435 plant and equipment (2021: Nil).

16. CONTINGENCIES

Contingent asset

Anteris Technologies Ltd sold the distribution rights to its CardioCel™ and VascuCel™ product range to LeMaitre Vascular, Inc. (LeMaitre) on 11 October 2019. In August 2021 and February 2023, the manufacturing agreement was extended with the agreement now contracted to conclude in January 2024.

Under the revised agreement, LeMaitre will assume responsibility for applying for regulatory approvals under the European Medical Devices Directorate Regulation. The associated costs will also be assumed by LeMaitre and deducted from the potential \$US2.0 million earn-out that may be received by Anteris. The earn-out will be payable in instalments upon receipt of each product approval under European Medical Devices Directorate Regulation.

This contingent receipt included within the contract has not been recognised as revenue as it is too early to determine that the amount is virtually certain to be received.

Contingent liabilities

There were no contingent liabilities in relation to the current reporting period.

17. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 15 February 2023, the Company issued 1.458 million new ordinary shares to various sophisticated and professional investors at an issue price of \$24.00 per share, raising \$35 million before costs to be used primarily for the clinical development of DurAVR™ and for general working capital purposes. Participants in the placement also receive one attaching unlisted option to acquire an ordinary share in Anteris for each share, expiring two years from the date of issue with an exercise price of \$29.00. Shareholder approval is required for Wayne Paterson, Chief Executive Officer and Managing Director, who is participating in the capital raise on the same terms as the other investors.

Other than the above event, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

18. SHARE BASED PAYMENTS

The number and weighted-average exercise prices of share options under share based payment arrangements were as follows.

	2022		2021	
	Number of options	Weighted-average exercise \$	Number of options	Weighted-average exercise \$
Outstanding at 1 January	1,571,648	11.31	530,568	12.67
Granted during the year	847,250	13.11	1,046,000	10.63
Forfeited during the year	(3,852)	13.99	(3,083)	8.64
Exercised during the year	(33,672)	4.96	(670)	4.52
Expired during the year	(9,250)	25.78	(1,167)	32.29
Outstanding at 31 December	2,372,124	11.92	1,571,648	11.31
Exercisable at 31 December	1,387,255	11.69	912,017	11.99

The options outstanding at 31 December 2022 had an exercise price in the range of \$3.50 to \$37.00 (2021: \$3.50 to \$37.00) and a weighted-average contractual life of 4.6 years (2021: 4.3 years). Of these options, 34,995 were issued before 31 December 2018 (2021: 44,745) and have exercise prices between \$30.00 and \$37.00 (2021: \$22.00 and \$37.00). Options subsequently issued have exercise prices between \$3.50 and \$22.84 (2021: \$3.50 and \$15.00) and a weighted average contractual life of 4.5 years (2021: 4.2 years).

The weighted average share price at the date of exercise for share options exercised in 2022 was \$22.01 (2021: \$9.30).

(a) Share based payment options

Employee share options

The Anteris Employee Incentive Plan (EIP) has been approved by shareholders. Eligible employees can participate in the Plan.

The key terms of the EIP Options include:

- Options are issued to selected Eligible Employees for nil cost;
- The allotment of options is at the discretion of the Board of Directors;
- Shares allotted on the exercise of the options are to be issued at an exercise price determined by the Board in its absolute discretion;
- Options vest in three equal tranches over 1, 2 and 3 years subject to the holder still being employed by the Group;
- Options expire 5 years after the grant date under the new plan, and 10 years under the old plan;
- All options expire on the earlier of their expiry date or 90 days after the termination of the individual's employment;
- Options are unlisted and not transferable unless the Directors in their absolute discretion agree to a transfer; and
- Options carry no dividend rights or voting rights.

The Company granted 387,250 EIP options during the year (2021: 221,000) which were split as follows:

- 11,750 options at an exercise price of \$17.23
- 2,750 options at an exercise price of \$17.11
- 21,250 options at an exercise price of \$22.01
- 350,000 options at an exercise price of \$12.96
- 1,500 options at an exercise price of \$22.84

During the year, 13,102 EIP options were cancelled or lapsed (2021: 4,250) and 3,672 EIP options were exercised (2021: 670).

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

18. SHARE BASED PAYMENTS (continued)

(a) Share based payment options (continued)

Director share options

On 13 June 2022 following approval by shareholders at the Annual General Meeting on 25 May 2022, the Company issued:

- A. 418,778 options with an exercise price of \$12.96 per share to the following Directors:
- John Seaberg (Chair) – 80,000 options
 - Wayne Paterson (CEO) – 258,778 options
 - Stephen Denaro (Non-Executive Director and Company Secretary) – 40,000 options
 - Wenyi Gu (Non-Executive Director) – 40,000 options
- B. 41,222 options with an exercise price of \$9.48 per share to Wayne Paterson.

The above Director share options expire after 5 years, vest in three tranches on the completion of at least 12, 24 and 36 months of service commencing 1 January 2022. These options were not awarded as part of the existing Employee Incentive Plan.

During the year, 289,500 of the 435,000 options issued in 2020 to Wayne Paterson (CEO), John Seaberg (Chair) and Stephen Denaro vested upon achievement of share price performance hurdles. The remaining options will only vest when the Company's share price reaches \$33.60. The Board of Directors exercised their discretion to extend the period to achieve the share price hurdle, by an additional 12 months being 48 months since the date of issue.

(b) Fair Value of Options Granted

Employee share options and Director share options

The fair value of the above listed EIP and Director share options issued during the period has been determined using a Black-Scholes option pricing model that considers the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option based on government bonds. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information. There were no performance conditions attached to the Director options issued.

(c) Other Options Granted

No options were granted to consultants during 2022. During the year, consultants exercised 30,000 options which had been issued in prior year (2021: nil).

(d) Option Inputs

The weighted average inputs (based on number of options granted) used in the measurement of the fair values at grant date of the above employee and Director options granted during the year were as follows:

	Director options (A)	Director options (B)	EIP options
Weighted average fair value per option at grant date	\$10.64	\$11.73	\$17.20
Share price at grant date	\$17.00	\$17.00	\$25.21
Exercise price	\$12.96	\$9.48	\$13.65
Expected volatility	80.0%	80.0%	75.59%
Expected life	3.5 years	3.5 years	3.4 years
Risk-free interest rate	2.8%	2.8%	3.4%

The inputs for the EIP options have been aggregated given the small volume of options issued.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

18. SHARE BASED PAYMENTS (continued)

(e) Recognition and measurement

Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions provided under the EIP are measured at fair value on grant date. Fair value is determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. Forfeitures are estimated at the time of grant and the Company reassesses the probability of vesting at each quarter end and adjusts the share-based compensation expense based on its probability assessment. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

19. RELATED PARTY TRANSACTIONS

(a) Parent Entity

The Legal parent entity within the Group is Anteris Technologies Ltd.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 13.

The Company may provide letters of support to its subsidiary companies when required.

(c) Key Management Personnel compensation

	2022 \$	2021 \$
Short-term employee benefits	3,410,247	3,626,958
Post-employment benefits	74,363	73,212
Termination benefits	-	-
Share based benefits	4,088,915	264,240
	7,573,525	3,964,410

Compensation of the Group's key management personnel includes salaries, short-term incentives, share based payments, superannuation/pension and non-cash benefits. All other remuneration items remained unchanged.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

20. DIVIDENDS

No dividends have been declared or paid during the year.

Recognition and measurement

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

21. REMUNERATION OF AUDITORS

KPMG was appointed as the Group's auditor at our AGM on 25 May 2022.

During the year, the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2022 \$	2021 \$
Audit and review services		
Auditors of the Group		
Audit and review of financial reports – KPMG	135,000	-
Audit and review of financial reports – HLB Mann Judd	-	85,000
Audit and review of prior year financial reports – HLB Mann Judd	15,000	-
Assurance services		
Auditors of the Group - KPMG		
Other assurance services – Audit of 3 years of US GAAP financial reporting	455,000	-
Other services		
Auditors of the Group – KPMG		
Risk advisory services	30,000	-

It is the Group's policy to employ KPMG on assignments additional to their statutory audit duties where their expertise and experience with the Group are important, but only if it would not compromise their independence.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

22. SUMMARY OF ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group re-measures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at fair value on the acquisition-date. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The Company retrospectively adjusts the provisional amounts recognised and recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition; or (ii) when the Company receives all the information possible to determine fair value.

Reverse Acquisition

In accordance with AASB 3 *Business Combinations*, when Anteris Technologies Ltd ("the legal parent" or "Anteris Technologies") acquired Anteris Technologies Investments Pty Ltd ("the legal subsidiary" or "Anteris Investments"), the acquisition was deemed to be a reverse acquisition. The substance of the transaction was that the existing shareholders of Anteris Investments (the accounting acquirer) had effectively obtained control of Anteris Technologies.

Under reverse acquisition accounting, the consolidated financial statements are issued under the name of the legal parent (being Anteris Technologies) but are a continuation of the financial statements of the deemed accounting acquirer being Anteris Investments.

At the date of acquisition, the assets and liabilities of the Anteris Investments group were recognised and measured in the consolidated financial statements at their pre-combination carrying amounts and added to the assets and liabilities of Anteris Technologies (the legal parent) which had been recognised and measured in accordance with AASB 3 *Business Combinations* (generally fair value).

In contrast to the above, the share capital on issue in the consolidated financial statements reflects the share capital of the legal parent, Anteris Technologies. It was measured on acquisition date by adding the total fair value of the legal parent (Anteris Investments) to the legal subsidiary's equity (Anteris Technologies). Fair value of the legal parent was determined as the total fair value of all the issued equity instruments of Anteris Technologies immediately prior to the business combination.

Retained earnings and equity balances in the consolidated financial statements at the acquisition date were those of Anteris Investments immediately prior to the transaction.

ANTERIS TECHNOLOGIES LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

22. SUMMARY OF ACCOUNTING POLICIES (continued)

(b) Foreign currency translation

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximates the rate at the date of the transaction. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency translation reserve in equity. The foreign currency translation reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(d) Goods and Services Tax ("GST") and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case, it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(e) New, revised or amending Accounting Standards and Interpretations adopted

Standards and Interpretations applicable to 31 December 2022

The Directors have reviewed all Standards and Interpretations on issue not yet adopted for the year ended 31 December 2022. As a result of this review, the Directors have determined that there is no material impact of the Standards and Interpretations on issue not yet adopted by the Company on the Group's financial statements, and therefore, no change is necessary to Group accounting policies.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted, and are not expected to have a significant impact on the Group's consolidated financial statements.

ANTERIS TECHNOLOGIES LTD

DIRECTORS' DECLARATION

In the opinion of the Directors of the Company:

1. The consolidated financial statements, notes and the Remuneration report in the Directors' report are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial year ended on that date.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001* for the financial year ended 31 December 2022.

The Directors draw attention to Note 1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



John Seaberg
Chair

Dated 28 February 2023



Independent Auditor's Report

To the shareholders of Anteris Technologies Ltd

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Anteris Technologies Ltd (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated Statement of Financial Position as at 31 December 2022
- Consolidated Statement of Profit or Loss, Consolidated Statement of Other Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to Note 1(a), "Going Concern" in the financial report. The conditions disclosed in Note 1(a), indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Group's assessment of going concern. This included:

- Analysing the cash flow projections by:
 - Evaluating the underlying data used to generate the projections for consistency with other information tested by us, our understanding of the Group's intentions, and past results and practices;
 - Assessing the planned levels of operating and capital expenditures for feasibility, timing, consistency of relationships and trends to the Group's historical results, results since year end, and our understanding of the business, industry and economic conditions of the Group.
- Assessing significant non-routine forecast cash inflows and outflows including the expected outcome of capital raisings for feasibility, quantum and timing. We used our knowledge of the client, its industry and current status of those initiatives to assess the level of associated uncertainty.
- Reading minutes of Directors' meetings and relevant correspondence with the Group's advisors to understand the Group's ability to raise additional shareholder funds, and assess the level of associated uncertainty.
- Evaluating the Group's going concern disclosures in the financial report by comparing them to our understanding of the matter, the events or conditions incorporated into the cash flow projection assessment, the Group's plans to address those events or conditions, and accounting standard requirements. We specifically focused on the principle matters giving rise to the material uncertainty.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the Key Audit Matter.

Share based payments - \$4,700,449

Refer to Note 18 to the Financial Report

The key audit matter

Accounting for share based payments is a key audit matter due to the:

- Significant judgement we used to assess the market derived volatility inputs used by the Group in the Black-Scholes valuation model for share options issued under the Group's share based compensation plans. This required the involvement of our valuation specialists.
- The Group's share based payments expense calculation includes a number of inputs such as share options granted and vested across different share based compensation plans, which increases the risk of error. This resulted in increased audit effort.

How the matter was addressed in our audit

Our procedures included:

- Assessing the appropriateness of the Group's accounting policy for share-based payments against the principles based criteria in AASB 2 *Share-based Payment*.
- Obtaining an understanding of the Group's share based compensation plans by inquiring with the Group, inspecting documentation and reading a sample of underlying share option offers in their share based payment compensation plans.
- Assessing the appropriateness of the Group's Black-Scholes valuation model against the requirements of the accounting standard and industry practice.
- Working with our valuation specialists to:
 - compare the market derived volatility inputs used in the Group's Black-Scholes valuation model against publicly available market data for comparable entities and considered differences to the Group.
 - perform an independent Black-Scholes valuation for a sample of share options using the volatility inputs from procedure noted above. We compared the valuations to those recorded by the Group.
- For a sample of share based payments:
 - compared the inputs in the share based payments calculation, such as share options granted and vested to underlying documentation and the grant date fair value calculated by the Group.
 - recalculated the share-based payments expense and compared this to the expense recognised by the Group.
- Comparing the value of the share options recorded by the Group in the general ledger to the value of share options determined by the Group's Black-Scholes valuation model.
- Assessing the disclosures in the Group's financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Anteris Technologies Ltd's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Anteris Technologies Ltd for the year ended 31 December 2022, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 7 to 14 of the Directors' report for the year ended 31 December 2022.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.



KPMG



Stephen Board
Partner

Brisbane
28 February 2023