

ASX RELEASE

26 July, 2017

ASX Market Announcements
Australian Securities Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

Admedus Limited Quarterly report - Appendix 4C for period to 30 June 2017

Please refer to the attached 'Appendix 4C' for details of cash flow results for the fourth quarter to 30 June 2017 for the Admedus Group. Based on interim, unaudited financial results.

HIGHLIGHTS

- **Quarterly sales of \$5.1M taking revenue for first 12 months to \$22.0M up ~58% on the prior corresponding period (PCP) and exceeding annual forecast expectations by ~\$1.0M.**
- **Cash balance at end of quarter \$11.2M (vs \$14.4M as at 31 March, 2017).**
- **CardioCel® 3D – first sales and successful human implants conducted. Announcement of expanded access programme ahead of product's commercial introduction.**
- **New Royal Adelaide Hospital official opening confirmed for 5 September, 2017 – set to positively impact infusion business sales.**
- **Appointment of David St Denis as Chief Operating Officer.**

QUARTERLY OPERATIONAL HIGHLIGHTS

ADAPT® sales for the quarter reached \$1.8M taking year to date (YTD) growth to ~30% PCP. New US sales team structure organized around Single Product Focus with separate and dedicated sales teams focused on VascuCel® and CardioCel® products enhanced by independent channel representation and corporate account sales. Together these are expected to materially impact on ADAPT® revenues in the US over the coming 12 months and beyond. The sales trajectory across all regions (emerging markets, Europe, US) continues to build momentum as our new sales teams, metrics, marketing strategy and management become fully operational. Team motivation is high and we are actively targeting competitor accounts.

During the quarter, CardioCel® 3D received FDA approval, an important milestone for Admedus as we apply the benefits of ADAPT® processing to more complex applications. We are already working with four key reference centers in the United States and this will increase to ten as we introduce the product in a phased and prudent way in 2017 working closely with physicians.

Our infusion business continued to perform strongly in the quarter with sales of \$3.2M taking YTD growth to ~75% PCP. Record consumable sales (i.e. excluding capital pump sales) have been recorded in June with sales reaching \$1.5M as first consumables orders are received for the new Royal Adelaide Hospital (nRAH), due to open early September 2017.

The appointment of experienced healthcare executive David St. Denis as Chief Operating Officer based in Minneapolis provides an important impetus to our commercial expansion efforts. Among his responsibilities, St. Denis will be driving the utilisation of new marketing tools, a sales model, and the CRM implementation and analysis we have recently established.

QUARTERLY FINANCIAL HIGHLIGHTS

Fourth quarter revenues of \$5.1M are ~28% above PCP and take full year revenues to \$22.0M, ~60% ahead of PCP, and exceeding full year targets by ~\$1.0M.

Cash flow generation during the quarter saw the overall cash position finish at \$11.2M as at 30 June 2017. Improved collections from customers in the quarter and receipt of the R&D refund were offset by higher than anticipated operating expenses as a result of higher R&D spend (3D, TAVR project), manufacturing costs (higher inventory due to lower consumption, back orders and write-offs) and staff costs (new hires). These were partially offset by lower than anticipated advertising and marketing costs.

CHANGE OF FINANCIAL YEAR

Admedus intends, subject to regulatory approvals, to change its financial year from 30 June to 31 December effective 1 January 2018.

This change more closely aligns the Company's reporting period with its global business sales cycles, assisting with forecasting, cash flow management and investment decisions.

FULL YEAR RESULTS

The outlook for the full year currently remains unchanged to that provided in the half year results presentation lodged with the ASX on 24 February, 2017.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Mark Ziirsen', with a long horizontal flourish extending to the right.

Mark Ziirsen
Chief Financial Officer



For more information, please contact:

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About Admedus Limited

Admedus (ASX:AHZ) is a specialist healthcare company. Our focus is on investing in and developing next generation technologies with world class partners, acquiring strategic assets to grow product and service offerings and expanding revenues from our existing, profitable medical sales and distribution business. The company has assets from research & development through clinical development as well as sales, marketing and distribution.

Twitter: @Admedus

Facebook: www.facebook.com/pages/Admedus

Website: www.admedus.com

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Admedus Limited

ABN

35 088 221 078

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,524	20,150
1.2 Payments for		
(a) research and development	(653)	(1,746)
(b) product manufacturing and operating costs	(2,082)	(12,421)
(c) advertising and marketing	(473)	(1,198)
(d) leased assets		
(e) staff costs	(4,357)	(15,956)
(f) administration and corporate costs	(1,590)	(5,855)
1.3 Dividends received (see note 3)		
1.4 Interest received	26	160
1.5 Interest and other costs of finance paid	(13)	(60)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	1,652	4,493
1.8 Other (provide details if material)	(184)	(164)
1.9 Net cash from / (used in) operating activities	(3,148)	(12,596)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(31)	(194)
(b) businesses (see item 10)		(2,400)
(c) investments		
(d) intellectual property		(75)
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	(31)	(2,669)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	0	18,307
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	0	(1,135)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	0	17,172
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	14,369	8,813
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,148)	(12,596)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(31)	(2,669)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	0	17,172
4.5 Effect of movement in exchange rates on cash held	0	470
4.6 Cash and cash equivalents at end of quarter	11,190	11,190

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	11,190	14,369
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	11,190	14,369

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
504

Salary - \$414k
Directors fees - \$90k

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements	108	108
8.3 Other (please specify)	295	0
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Financial guarantees - \$108k
Overdraft facility - \$295k

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	450
9.2 Product manufacturing and operating costs	2,794
9.3 Advertising and marketing	466
9.4 Leased assets	0
9.5 Staff costs	4,304
9.6 Administration and corporate costs	1,325
9.7 Other (provide details if material)	317
9.8 Total estimated cash outflows	9,655

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Company Secretary

Date: 26 July 2017

Print name: Maja McGuire

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.