Avita Medical Ltd

Australia (ASX: AVH)
United States (OTCQX: AVMXY)

Investor Presentation
11 February 2014
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About Avita Medical
Company overview

- Lead product *ReCell® Spray-On Skin®* point-of-care regeneration treatment for wide range of chronic and acute wounds, pigmentation and other dermal defects

- Australian Exchange (ASX:AVH); US Exchange / ADR (OTCQX: AVMXY)
  - Market capitalisation: $42M*
  - Cash on hand (as at 31 December 2013): $6.8M

- Regulatory clearance in Europe (CE Marked), Australia (TGA), China (SFDA)

- US FDA trials underway (US Department of Defence funded)

*As at 7 February 2014
Avita Medical Limited is a publicly listed, global medical technology company that develops and distributes a highly innovative product in regenerative medicine.

Avita’s unique regenerative product, ReCell, is being tested and proven by clinics in Asia/Pacific, Europe and the United States.

Successful ReCell trial results, adoption by clinicians, regulatory approval, reimbursement and sales provide opportunities for ReCell, Avita Medical and Avita Medical’s shareholders.

Avita is focused on providing innovative and cost-effective solutions to customers while addressing key medical and commercial requirements of patients, clinicians and healthcare systems.
Company Highlights
For the quarter ending 31 December 2013

- ReCell revenues increased by 35% compared to quarter ending 31 December 2012
- Total revenues for the half-year at A$1.8M
- Cash balance A$6.8M, with no debt
- Positive progress in clinical, sales and reimbursement in China
- Sales & Marketing resources restructure supports increased engagement and revenue
- Head of Sales & Marketing appointed to drive marketing strategy
Business Structure
Global development, distribution and reimbursement

Avita Medical

ReCell
- Clinical
  - US
  - UK
  - Germany
  - France
  - Netherlands
- Distribution
  - UK
  - Australia
  - Germany
  - France
  - Italy
  - Turkey
  - China

Breath-A-Tech
- Distribution
  - Australia
Mixed distribution model
Direct, joint ventures & distributors

Avita Medical
Americas
Los Angeles

Avita Medical Europe
Cambridge, UK

Avita Medical Italia
Milan, Italy

Avita Medical Asia
Pacific Australia

Direct
Distributor
Joint Venture
Regulatory trials in progress

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## Market Opportunity

Estimated annual procedures (US, UK, FR, DE, IT, AUS, CH)

<table>
<thead>
<tr>
<th>Condition</th>
<th>Estimated annual procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chronic wounds (lower limb ulcers)</td>
<td>22,644,000</td>
</tr>
<tr>
<td>Vitiligo</td>
<td>19,622,000</td>
</tr>
<tr>
<td>Aesthetics/Plastics</td>
<td>1,998,000</td>
</tr>
<tr>
<td>Burns</td>
<td>5,021,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>49.3 million</strong></td>
</tr>
</tbody>
</table>
### Sales & Marketing

**Performance as at 31 December 2013**

- ReCell revenues up 35% compared to quarter ending 31 December 2012
- ReCell revenues increased 11% for the financial year to date
- Head of Sales & Marketing appointed to drive customer engagement and marketing strategy
- Further Sales & Marketing strategy restructure underway to align plan with company objectives

<table>
<thead>
<tr>
<th>Q2FY12 v Q2FY13</th>
<th>Key Market Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>↑ 52%</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>↑ 29%</td>
<td>Australia</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>YTD FY12 v YTD FY13</th>
<th>Unit Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>↑ 34%</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>↑ 10%</td>
<td>Australia</td>
</tr>
<tr>
<td>↑ 17%</td>
<td>Germany</td>
</tr>
<tr>
<td>↓ 32%</td>
<td>France</td>
</tr>
<tr>
<td>↓ 64%</td>
<td>Italy (JV)</td>
</tr>
</tbody>
</table>
Avita Medical has identified a clear business path:

1. **Expand burns**
   - Build sales of ReCell in markets where treatment for burns is approved.
   - Progress US FDA trials (burns and other applications).

2. **Progress aesthetics**
   - Progress aesthetic treatment to derive revenue from a large, lucrative and growing market.

3. **Continue to develop chronic wounds**
   - Advance clinical trials to continue the development of chronic wounds treatment for ReCell.
# Introducing a product to market

The lifecycle from concept to market

<table>
<thead>
<tr>
<th>Pre-clinical</th>
<th>Clinical</th>
<th>Sales and distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opportunity identified</strong></td>
<td><strong>Prefeasibility initiated</strong></td>
<td><strong>Clinical trial engaged</strong></td>
</tr>
<tr>
<td>Unique product or indication</td>
<td>Initial stage studies undertaken</td>
<td>Criteria set and trial commences</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Clinical trial managed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Clinical trial managed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Product approved</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Engage new customers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Product introduced to the market</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reimbursement</td>
</tr>
</tbody>
</table>
## Regulatory and clinical status

**Indications making progress towards market**

<table>
<thead>
<tr>
<th>Indications</th>
<th>Preclinical</th>
<th>Clinical</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acute burns/trauma</td>
<td>USA</td>
<td>EMEA</td>
<td>ROW</td>
</tr>
<tr>
<td>Aesthetics</td>
<td>USA</td>
<td>EMEA</td>
<td>ROW</td>
</tr>
<tr>
<td>Scars and vitiligo</td>
<td>USA</td>
<td>EMEA</td>
<td>ROW</td>
</tr>
<tr>
<td>Chronic Wounds</td>
<td>USA</td>
<td>EMEA</td>
<td>ROW</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>USA</td>
<td>EMEA</td>
<td>ROW</td>
</tr>
</tbody>
</table>
Reimbursements

What are reimbursements?

- Coverage and reimbursement by a healthcare payer, whether commercial, private or government (e.g., UK’s NHS or Australia’s Medicare) required to allow provider to be compensated by the healthcare payer.

What are the challenges faced in obtaining reimbursements?

- In the present cost-constrained health care environment, healthcare payers need to believe that the new device/drug will provide both clinical and economic advantages over the ‘old’ or ‘traditional’ treatment.
Reimbursement Strategy
Avita is seeking to obtain reimbursement in key markets

**United Kingdom**
- NICE (National Institute for Health and Care Excellence) application submitted
- Under review by Medical Technologies Advisory Committee (MTAC)
- Draft Scope available for comment

**Germany**
- Supporting application submitted by eight hospitals, multiple authorities involved including:
  - InEK: Institut für das Entgeltsystem im Krankenhaus (Institute for the Hospital Remuneration System)
  - DIMDI: Deutsche Institut für Medizinische Dokumentation und Information (German Institute of Medical Documentation and Information)
  - G-DRG: Diagnosis Related Group; ICD-10-GM ‘German Modification’

**Turkey**
- ReCell has been classified with a code and placed on the ‘positive list’ for temporary reimbursement until permanent status can be achieved.

**US, France and Italy**
- Process is underway
Avita’s Regenerative Technology

- Harnesses the body’s intrinsic ability to heal itself and packages it into an easy-to-use bedside kit for the clinician.
- Addresses needs of all stakeholders:
  - **Patients:** Provides improved outcomes and quality-of-life;
  - **Surgeon/Clinician:** Easy, fast and effective with reduced morbidity; revenue generator; and
  - **Healthcare System:** Reduced patient care costs.

ReCell provides superior medical and economic benefits to a range of stakeholders
Regenerative healing
What happens when ReCell is applied?

Step 1
- Small, thin (split-thickness) skin sample processed
- 30-minutes to prepare a cell suspension
- Ready for immediate application

Step 2
- Cell proliferation
- Modulation of wound healing environment

Step 3
- Epidermal closure (within week one)
- Skin maturation (as early as two weeks after closure)
Health-Economic Model: Burns

Cost savings achieved using ReCell

Data based on recorded expenses in treatment of 26 burns patients at Pinderfields Hospital Burns Units United Kingdom during 2011
Increasing ReCell acceptance
Key opinion leaders directly influencing ReCell use

- Number of usages (excluding clinical studies)
- Number of publications

ReCell Uses by Year

ReCell Publications by Year

1 Jan – 8 Nov 2013
More than 60% of ulcers healed within 60 days of treatment
Patients had suffered from these ulcers for an average of 18 months prior treatment

B De Angelis et al, The use of a non cultured autologous cell suspension to repair chronic ulcers, International Wound Journal ISSN 1742-4801
Next Steps
Validating the medical and commercial potential of ReCell

1. **Focus on the commercialisation of ReCell technology** with reinvigorated sales and marketing program focussing on health and economic benefits.

2. **Demonstrate to new customers** how ReCell technology can improve their clinic’s revenue stream, aligning the product with the market.

3. **Synchronise Avita Medical’s clinical and R&D strategies** to provide new market opportunities combined with better patient outcomes.

*With each product approval, reimbursement listing, new surgeon uptake or existing client order Avita Medical is progressing to become a global leader in regenerative medicine.*
## Milestones

<table>
<thead>
<tr>
<th>Event</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>ReCell (product): Roll-out of Ambient-stored Enzyme in UK/Europe</td>
<td>1Q2014</td>
</tr>
<tr>
<td>Non-dilutive $: R&amp;D Tax Refund</td>
<td>2Q2014</td>
</tr>
<tr>
<td>Burns: US Compassionate Use Cohort IDE Submission Adjunct ReCell treatment for large acute burns/trauma</td>
<td>2Q2014</td>
</tr>
<tr>
<td>Burns: US Acute Burn IDE Submission Adjunct ReCell treatment for mixed-depth acute thermal burns requiring grafts</td>
<td>3Q2014</td>
</tr>
<tr>
<td>ReCell (product): ReCell for burns high capacity kit</td>
<td>3Q2014</td>
</tr>
<tr>
<td>Non-dilutive $: Divestiture of Non-Core Assets</td>
<td>3Q2014</td>
</tr>
<tr>
<td>Non-dilutive $: Partnership (out-licensing, large-scale distribution)</td>
<td>3Q2014</td>
</tr>
<tr>
<td>Non-dilutive $: Clinical Trial Funding (US Gov’t/military)</td>
<td>3Q2014</td>
</tr>
<tr>
<td>Vitiligo: US Repigmentation IDE Submission</td>
<td>4Q2014</td>
</tr>
<tr>
<td>Chronic Wounds: UK/Fr Multi-centre Venous Ulcer Study Completion of Enrolment</td>
<td>1Q2015</td>
</tr>
<tr>
<td>Chronic Wounds: US Venous Ulcer IDE Submission</td>
<td>3Q2015</td>
</tr>
</tbody>
</table>
## Peer Comparison

A unique company in the regenerative sector

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Revenue FY2013</th>
<th>Net Profit FY2013</th>
<th>Market cap*</th>
<th>Exchange</th>
<th>Ticker</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avita Medical</td>
<td>Regenerative</td>
<td>A$2.81M</td>
<td>-A$8.09M</td>
<td>A$42.49M</td>
<td>ASX</td>
<td>AVH</td>
</tr>
<tr>
<td>Clinuvel</td>
<td>Regenerative</td>
<td>A$2.49M</td>
<td>-A$6.80M</td>
<td>A$56.94M</td>
<td>ASX</td>
<td>CUV</td>
</tr>
<tr>
<td>Tissue Therapies</td>
<td>Regenerative</td>
<td>A$95.00K</td>
<td>-A$5.74M</td>
<td>A$89.37M</td>
<td>ASX</td>
<td>TIS</td>
</tr>
<tr>
<td>Cytori Therapeutics</td>
<td>Regenerative</td>
<td>US$16.06M¹</td>
<td>-US$19.96M¹</td>
<td>US$171.54M</td>
<td>NasdaqGM</td>
<td>CYTX</td>
</tr>
<tr>
<td>Neostem</td>
<td>Regenerative</td>
<td>US$13.34M¹</td>
<td>-US$42.31M¹</td>
<td>US$194.88M</td>
<td>NasdaqCM</td>
<td>NBS</td>
</tr>
<tr>
<td>Mesoblast</td>
<td>Regenerative</td>
<td>A$34.71M</td>
<td>-A$61.66M</td>
<td>A$1.83B</td>
<td>ASX</td>
<td>MSB</td>
</tr>
</tbody>
</table>

*Source S&P Capital IQ

*Market cap as at 7 February 2014

¹ Last 12 months as at 30 September 2013
Senior Management

Timothy Rooney, Interim CEO: 20 years senior finance and operations management; pharmaceutical wholesale distribution and medical device industries

Lorraine Glover, General Manager, Asia Pacific: 22 years experience in the commercial biotechnology and medical devices industry

Andrew Quick, VP Research & Technology: 21 years medical device experience; expertise in design, development and clinical research

William Marshall, VP Operations: 31 years industry experience; expertise in lean manufacturing, quality and regulatory systems

Lesley Whitlock, Sales and Marketing Director, EU: 20 years sales & marketing experience in medical devices and biologics; expertise in developing commercialisation strategies
For more information

www.avitamedical.com