AVITA Medical Announces Presentation at ISPOR Meeting Validating Acute Burn Health Economic Model

May 22, 2018

Presentation describes development and corroboration of health economic model that has demonstrated cost savings associated with the use of the RECELL® Device

Valencia, Calif., USA, and Melbourne, Australia, 22 May 2018 — AVITA Medical (ASX:AVH, OTCQX: AVMXY) today announced that results from a study validating the predicted outcomes and costs from an acute burns health economic model were presented at the International Society for Pharmacoeconomics and Outcomes Research (ISPOR) 23rd Annual International Meeting in Baltimore, Maryland. The landmark model is the first validated economic model available to assess the costs and clinical impact of new interventions versus standard of care for inpatient treatment of acute burns along the burn care continuum. The model demonstrates the ability to predict the cost-effectiveness, incremental costs and the budget impact of different care management approaches.

As presented last month at the American Burn Association (ABA) 50th Annual Meeting in Chicago, the health economic model demonstrated that the use of the RECELL® Device could reduce the cost of treatment by 44 percent or greater for patients with large burns. In addition, the budget impact component of the model determined that in a burn center with 200 patients, the use of the RECELL Device would reduce annual total treatment costs from $43.3 million to $30.3 million, saving 30 percent or $13.0 million.

The presentation at ISPOR, “Inpatient Cost of Acute Care for Severe Burn Patients: Validation of Economic Model for Adults and Children,” describes that unlike other therapy areas, the cost effectiveness of new interventions in burn care is rarely evaluated. Prior to the development of this health economic model, no validated economic model was available to assess the costs and clinical impact of new interventions versus standard of care for inpatient treatment of acute burns along the burn care continuum. To address this gap, a health economic model was developed by IQVIA™, AVITA Medical and the Biomedical Advanced Research and Development Authority (BARDA), under the Assistant Secretary for Preparedness and Response, within the US Department of Health and Human Services. Funding provided by BARDA, under Contract No.

HHSO100201500028C, to support the development of RECELL by AVITA Medical has included support of the health economic model.

“This first landmark economic model examines the continuum of definitive care in burns and can bring value to the burn community by estimating the likely economic impact of new treatments for burns,” said Pinar Bilir, IQVIA. “The model can also link key components of patient characteristics, burn injury particulars, healthcare resource utilization, treatment options and cost considerations in a flexible framework to support decision-making. We were excited to see that evaluating RECELL within this platform was able to translate clinical outcomes into projected cost impact.”

The RECELL Device is an investigational medical device in the U.S. that is designed to enable medical professionals to produce, at the point-of-care, a REGENERATIVE EPIDERMAL SUSPENSION™ (RES™) using a

small sample of the patient’s own skin. The autologous suspension contains cells necessary to regenerate epidermis and provides a new way to achieve permanent closure in burns and other wounds while reducing the amount of skin harvested at the time of surgery. Reduction in donor-site skin requirements has important benefits from both clinical and health economic perspectives.

A U.S. PreMarket Approval (PMA) application for the treatment of burn injuries is currently under review by the U.S. Food and Drug Administration (FDA). The Company expects completion of the FDA review of the PMA during the third quarter of calendar 2018, followed by U.S. approval and market launch. Last month researchers from major burn centers throughout the U.S. made six presentations at the American Burn Association (ABA) 50th Annual Meeting in Chicago describing the clinical and cost-savings advantages of the RECELL Device in the treatment of severe burns.

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ABOUT AVITA MEDICAL LIMITED

AVITA Medical is a regenerative medicine company with a technology platform positioned to address unmet medical needs in burns, chronic wounds, and aesthetics indications. AVITA Medical’s patented and proprietary collection and application technology provides innovative treatment solutions derived from the regenerative properties of a patient’s own skin. Our medical devices work by preparing a REGENERATIVE EPITHELIAL SUSPENSIONTM, an autologous suspension comprised of the patient’s own skin cells and wound healing factors that are necessary to regenerate natural healthy skin. This autologous suspension is then sprayed onto the areas of the patient to be treated.

In the United States, the RECELL Device is an investigational device limited by federal law to investigational use. In September 2017, AVITA Medical submitted to the U.S. Food and Drug Administration (FDA) a PreMarket Approval (PMA) application for RECELL for the treatment of burn injuries.

In all countries outside of Europe, our portfolio is marketed under the RECELL Device brand to promote skin healing in a wide range of applications including burns, chronic wounds and aesthetics. RECELL Device is TGA- registered in Australia, and CFDA-cleared in China.

In Europe, our portfolio of medical device products received CE-mark approval as three tailored product presentations, with three individual brand names. RECELL Device is designed for the treatment of burns and plastic reconstructive procedures; REGENERCELL™ Autologous Cell Harvesting Device has been formulated for chronic wounds including leg and foot ulcers; and RENOVACELL™ Autologous Cell Harvesting Device is tailored for aesthetic applications including the restoration of pigmentation.

To learn more, visit www.avitamedical.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This letter includes forward-looking statements. These forward-looking statements generally can be identified by the use of words such as "anticipate," "expect," "intend," "could," "may," "will," "believe," "estimate," "look forward," "forecast," "goal," "target," "project," "continue," "outlook," "guidance," "future," other words of similar meaning and the use of future dates. Forward-looking statements in this letter include, but are not limited to, statements concerning, among other things, our ongoing clinical trials and product development activities, regulatory approval of our products, the potential for future growth in our business, and our ability to achieve our key strategic, operational and financial goal. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Each forward- looking statement contained in this letter is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statement. Applicable risks and uncertainties include, among others,

the timing of regulatory approvals of our products; physician acceptance, endorsement, and use of our products; failure to achieve the anticipated benefits from approval of our products; the effect of regulatory actions; product liability claims; risks associated with international operations and expansion; and other business effects, including the effects of industry, economic or political conditions outside of the company's control. Investors should not place considerable reliance on the forward-looking statements contained in this letter. Investors are encouraged to read our publicly available filings for a discussion of these and other risks and uncertainties. The forward-looking statements in this letter speak only as of the date of this release, and we undertake no obligation to update or revise any of these statements.

FOR FURTHER INFORMATION:

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