Annual General Meeting 2017 (Jul-Dec)

Chair’s address

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ADMEDUS

Key Strategic milestones

July to December 2017

Clinical superiority of ADAPT technology

- 9+ years without calcification or toxicity
- Delivering real health benefits in 135+centres around the world

Strong ADAPT revenues

- Increased sales in Europe
- Launches into emerging markets
- Expansion of product range

Infusion sales growing >$1m/month

- new Royal Adelaide Hospital opened in Sep 2017 with >2,500 Infusion pumps
- Consumables sales growing

TAVR prototype unveiled

- IP applications submitted
- Signals entry into a market worth US$3.5B growing to US$5B by 2020

CardioCel 3D - the Gamechanger

- Concluded comprehensive user-evaluation program
- Ready for launch in the US in January 2018

Business partnerships

- Exclusive supply agreement with 4C Medical Technologies Inc. for their TMVR technology
- Lends credibility to our unique biomaterial

Annual General Meeting 2017 (Jul-Dec)

CEO Presentation

24th May 2018

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Financial Review

The transition : July to December 2017

$ millions	6 months to Dec 2017
Group revenue	**11.3**
Gross profit	**6.7**
GM%	59.0%
Selling, general and administration costs	(14.8)
Other Income	0.4
EBITDA	**(7.7)**
Net interest expense	(0.2)
Depreciation and amortisation	(0.9)
Operating income / (loss) after income tax	**(8.8)**

- Admedus changed its financial year-end from 30 June to 31 December.
- This change more closely aligned Admedus' reporting period with its global business sales cycles, assisting with forecasting, cash flow management and investment decisions.
- Admedus's recently published statutory financial statements reported on a six-month accounting period from 1 July 2017 to 31 December 2017.

Financial results 2016/2017 - with Code Red impact pre-transition

$ millions	FY17	FY16		Change
Group revenue	**22.3**	**14.2**	↑	58%
Gross profit	**10.7**	**5.1**	↑	110%
GM%	48.1%	36.2%	↑	12%pts
Selling, general and administration costs	(25.0)	(33.4)	↓	25%
Other income	3.4	4.7	↓	(28)%
EBITDA loss	**(10.8)**	**(23.6)**	↓	54%
Depreciation and amortisation	(1.9)	(1.5)	↑	(20)%
Operating income / (loss) after income tax	**(12.7)**	**(25.1)**	↓	50%
Net working capital	**6.0**	**4.1**	↑	(46)%
Net working capital % sales	27.0%	29.2%	↓	(2)%pts
Net operating cash outflows	**(12.5)**	**(21.9)**	↓	43%

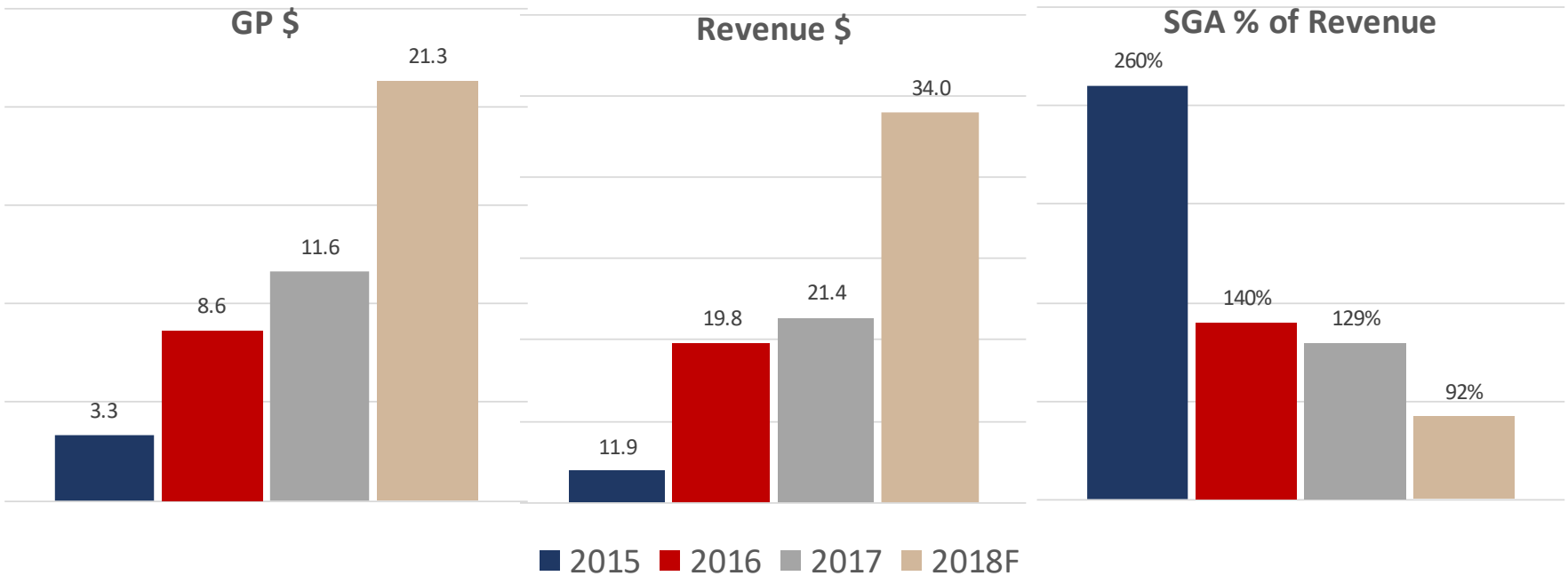
CY16 vs CY17 with Code Red impact now appearing in second half CY 2016

$ millions	CY2016	CY2017		Change
Group revenue	**19.8**	**21.4**	↑	8%
Gross profit	**8.6**	**11.6**	↑	34%
GM%	43.5%	54.3%	↑	11%
Selling, general and administration costs	(27.8)	(27.7)	↓	0%
Other Income	2.4	3.5	↑	44%
EBITDA	**(16.7)**	**(12.7)**	↓	24%
Net interest expense	0.1	(0.1)	↑	267%
Depreciation and amortisation	(1.7)	(1.8)	↑	(4)%
Operating income / (loss) after income tax	**(18.4)**	**(14.7)**	↓	20%

2018 - Growth in GP is significantly > than growth in costs

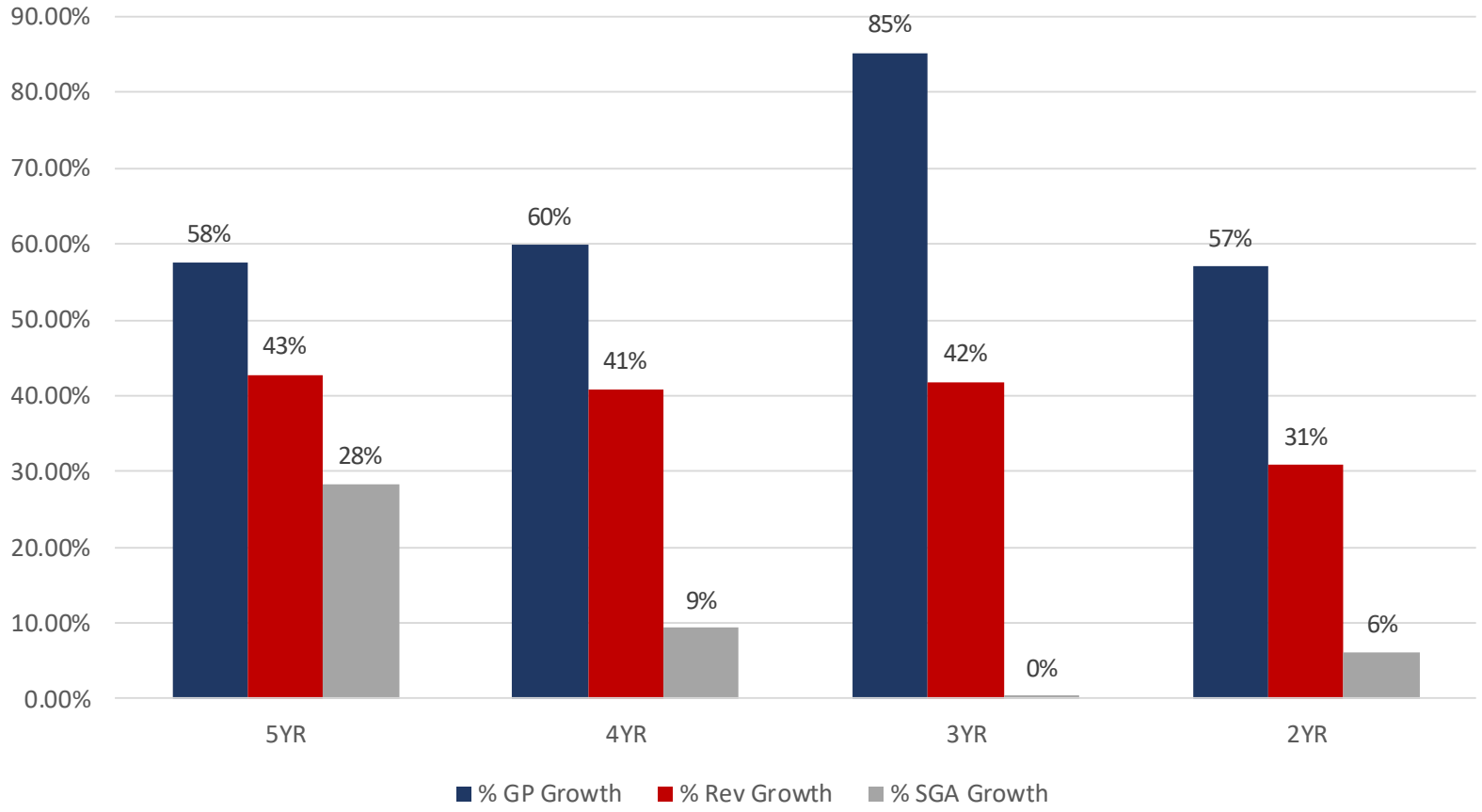
$ millions	CY2017	CY2018		Change
Group revenue	**21.4**	**34.0**	↑	59%
Gross profit	**11.6**	**21.3**	↑	83%
GM%	54.3%	62.7%	↑	8%
Selling, general and administration costs	(27.7)	(31.3)	↑	(13)%
Other Income	3.5	0.0	↓	(100)%
EBITDA	**(12.7)**	**(10.0)**	↓	21%
Net interest expense	(0.1)	(0.8)	↑	(455)%
Depreciation and amortisation	(1.8)	(1.0)	↓	47%
Operating income / (loss) after income tax	**(14.7)**	**(11.8)**	↓	20%

Profit outgrowing costs: 2015 to 2018F

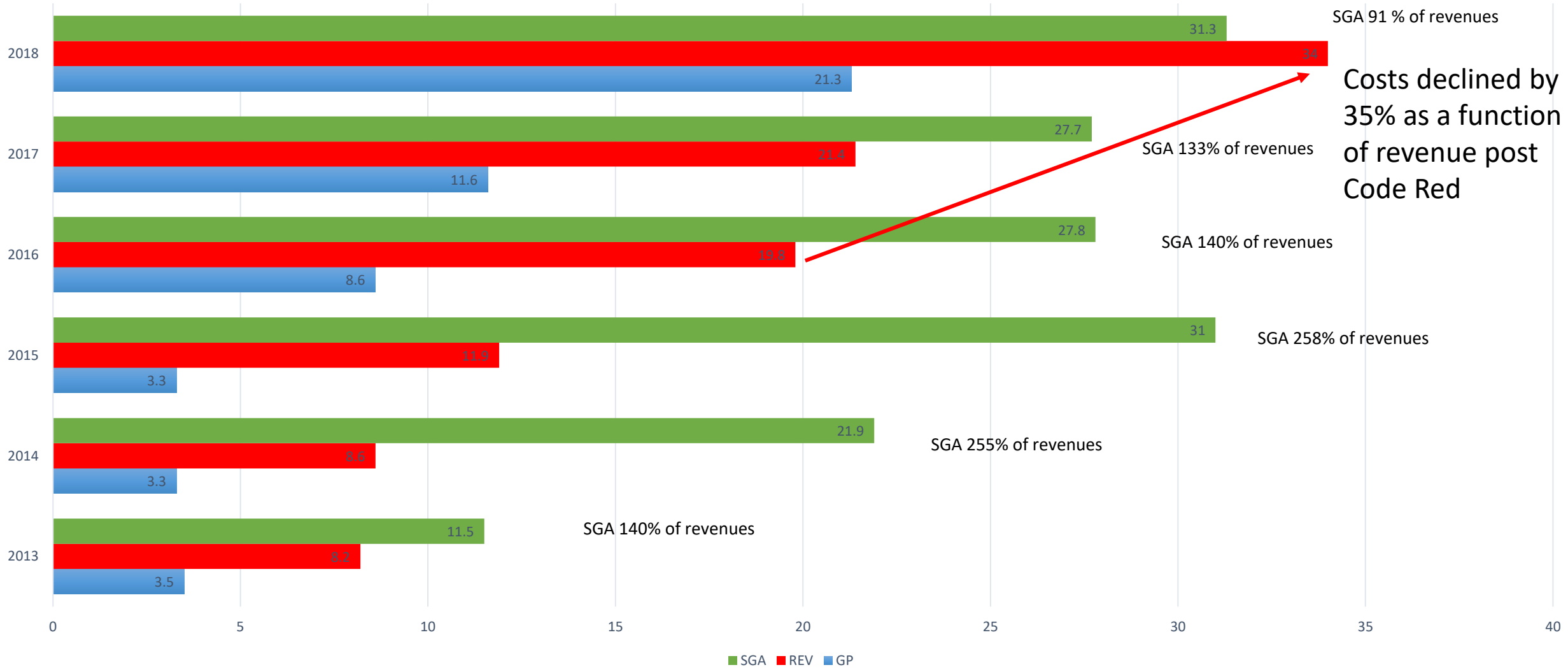


- Record revenue of $34m (+59%) in CY18 forecast
- ADAPT forecast to record 150% revenue growth for CY18
- Infusion continues to provide solid base of revenue and profitability, CY18 on track for record earnings
- Product mix driving Gross Margin improvement

CAGR in expenditures significantly lower than growth in revenues and gross profit

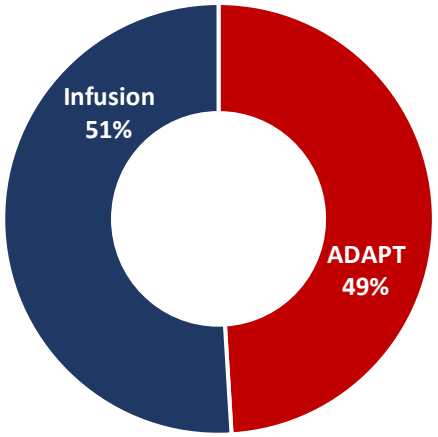


Costs declined by -35% as a percentage of revenue post Code Red

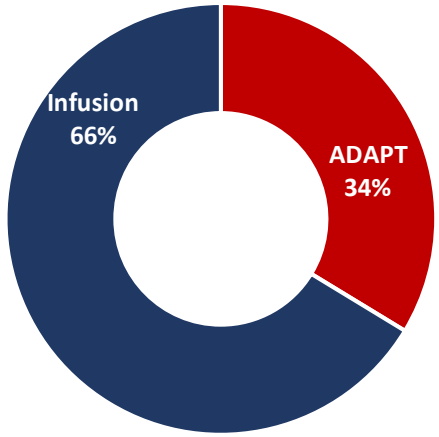


A balanced business mix across the portfolio

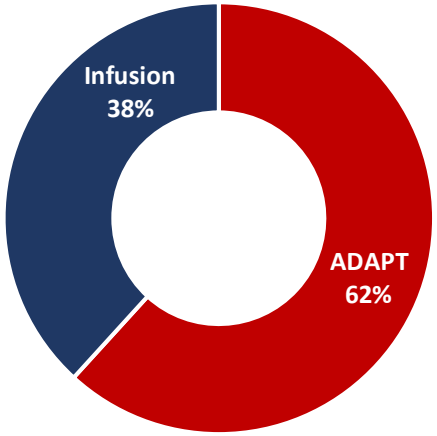
Gross Profit 2017



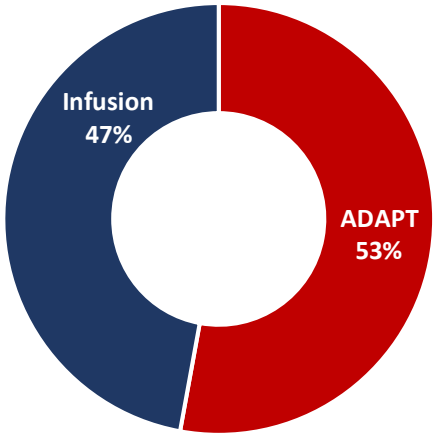
Revenue 2017



Gross Profit 2018

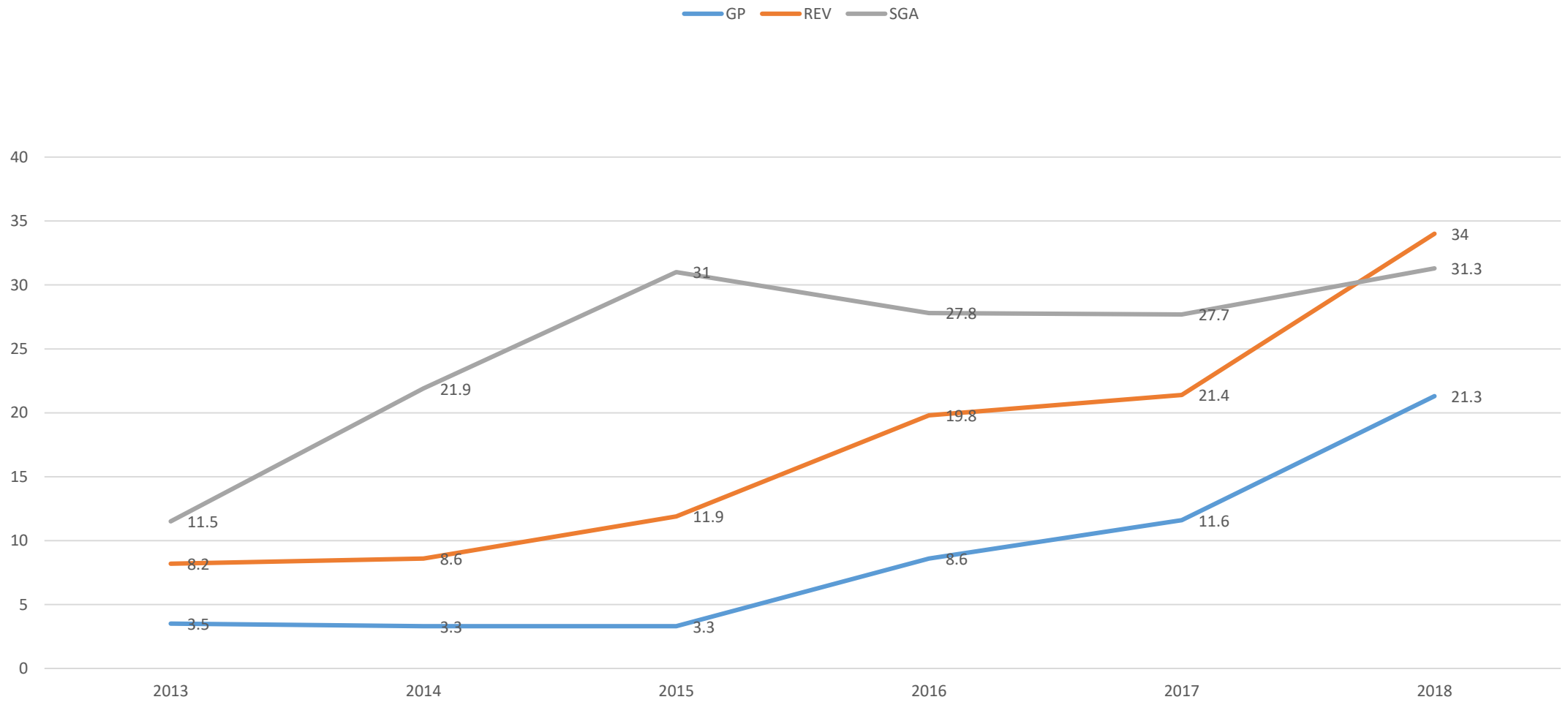


Revenue 2018

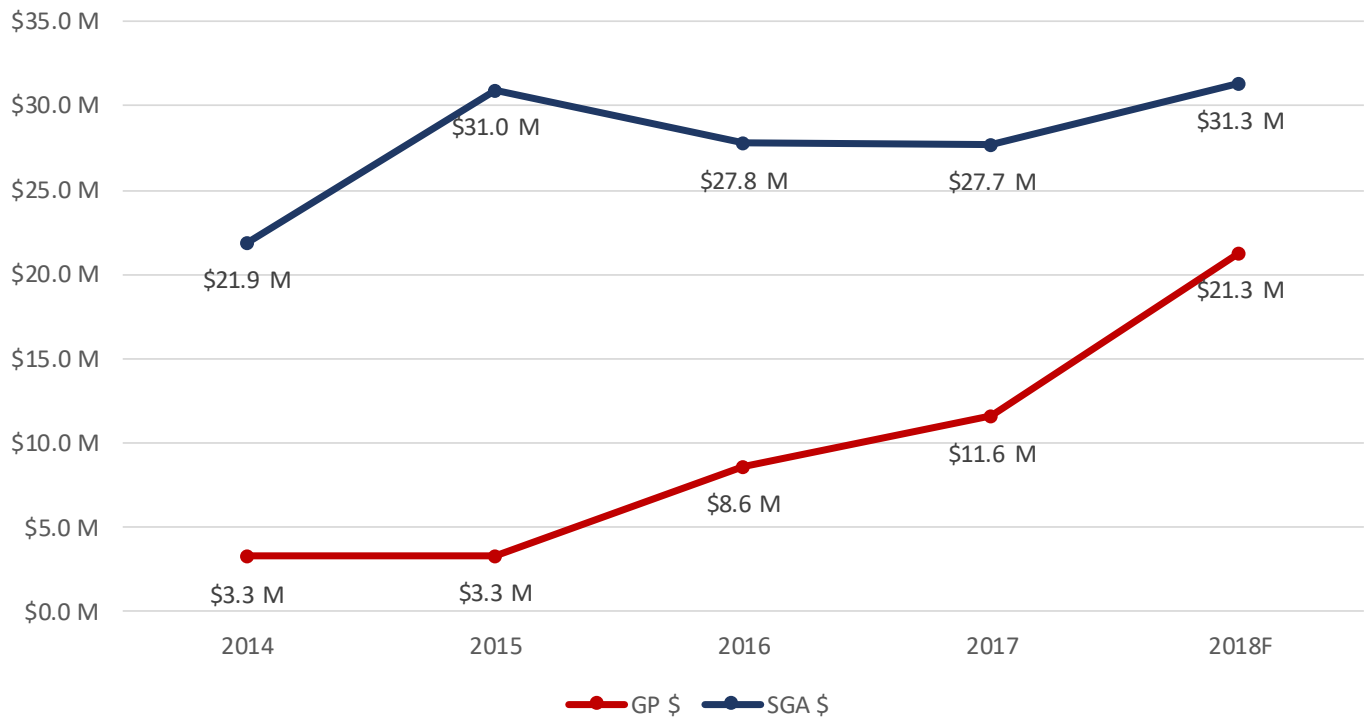


- ADAPT Revenue to surpass Infusion revenue during 2018 ($18M vs $16M)
- ADAPT Product lines generate higher Gross Margins (70% vs 48%)

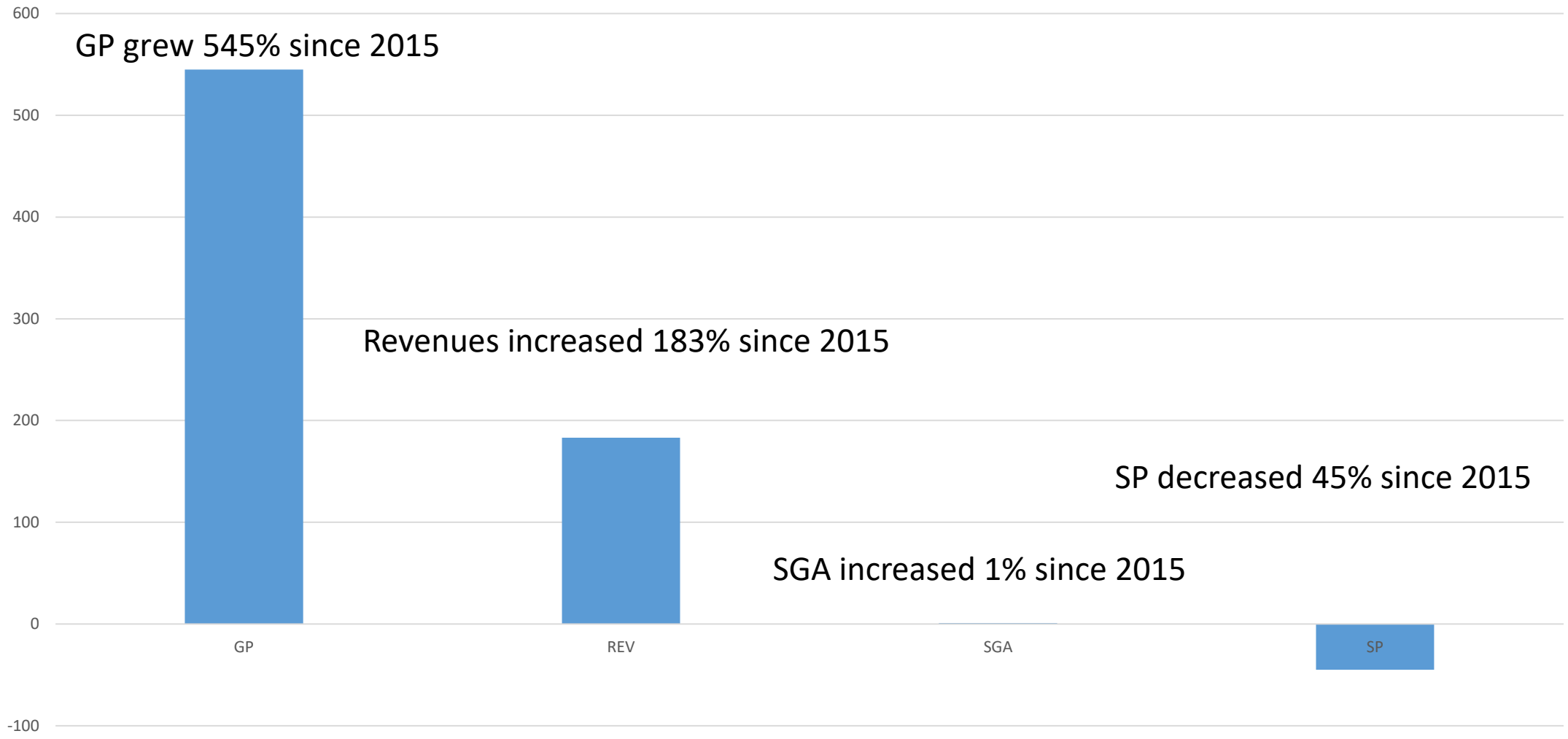
Investments driving growth in Revenues and Profit



GM 2014 to 2018F investments driving growth



Growth of GP, revenues, SGA + SP 2015-2018



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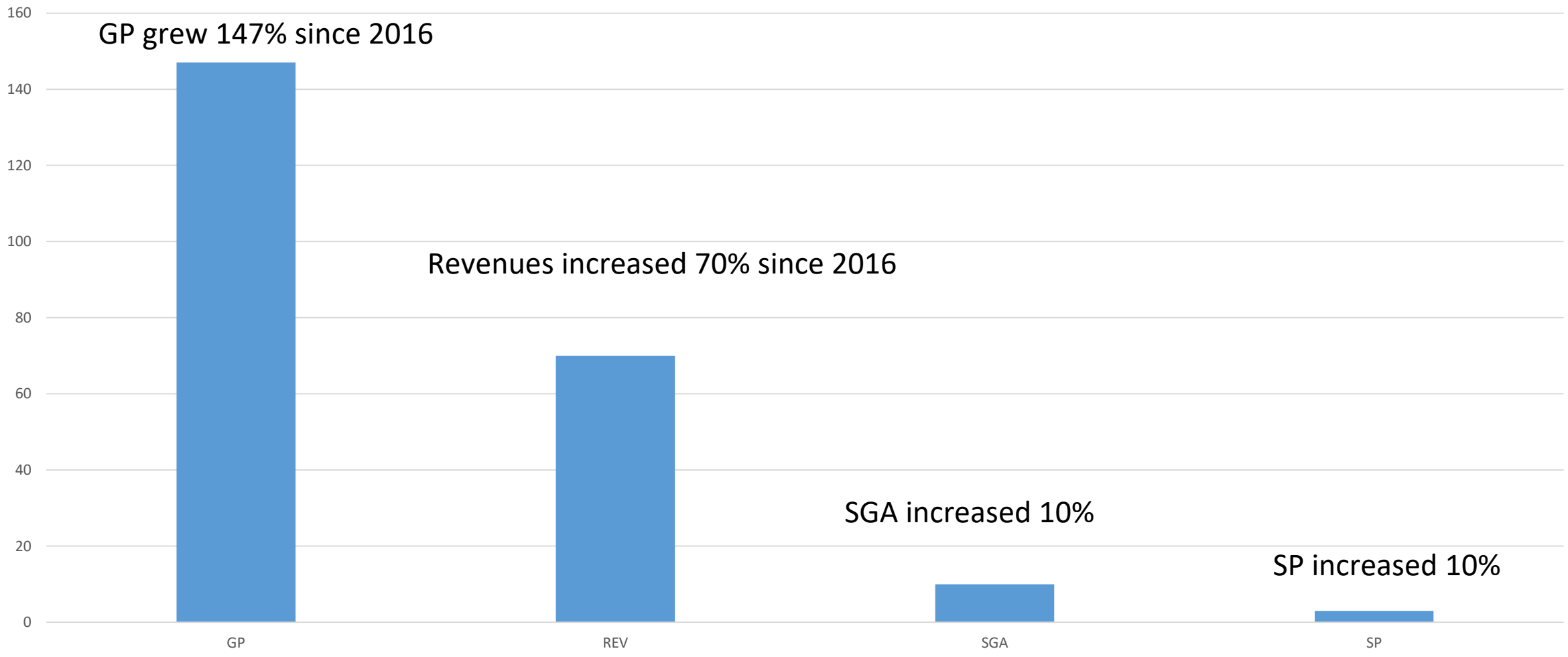
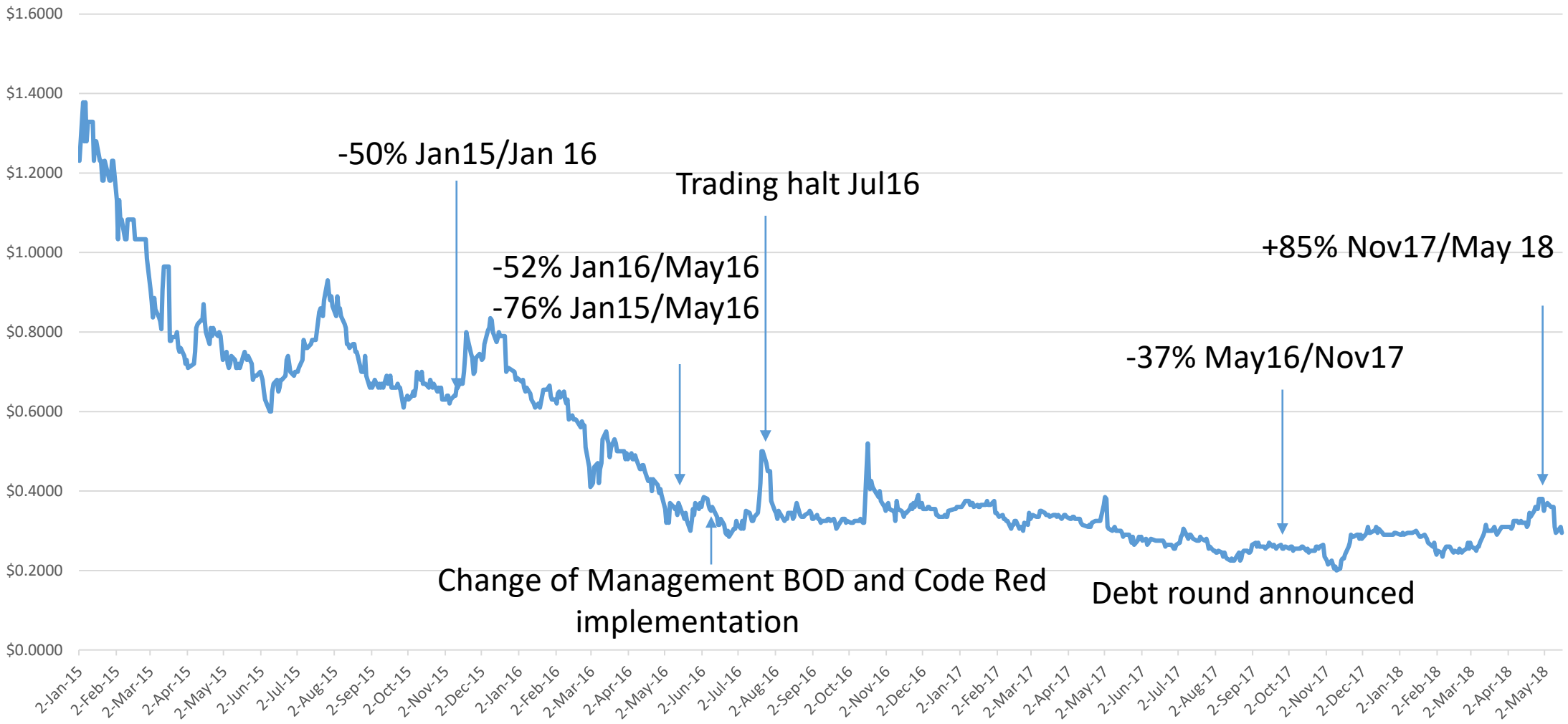


Share price trajectory 2015 – 2018
Reversing the long term decline



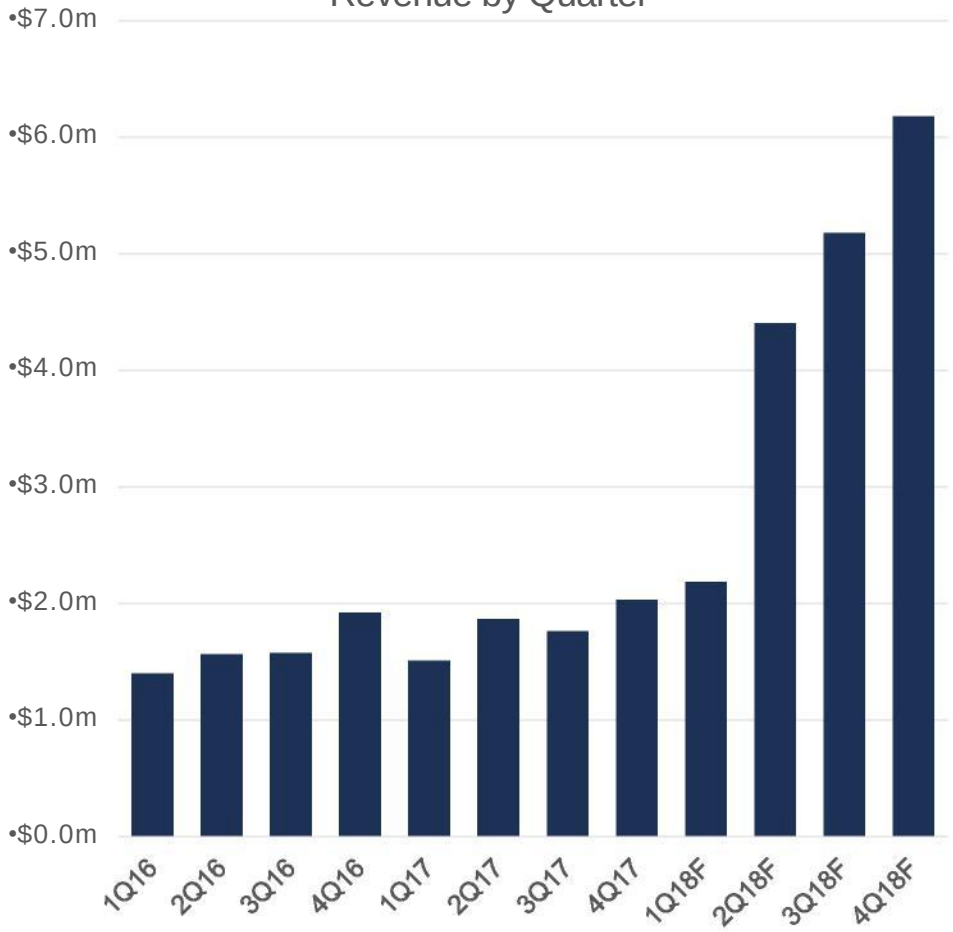
Business Review

ADAPT

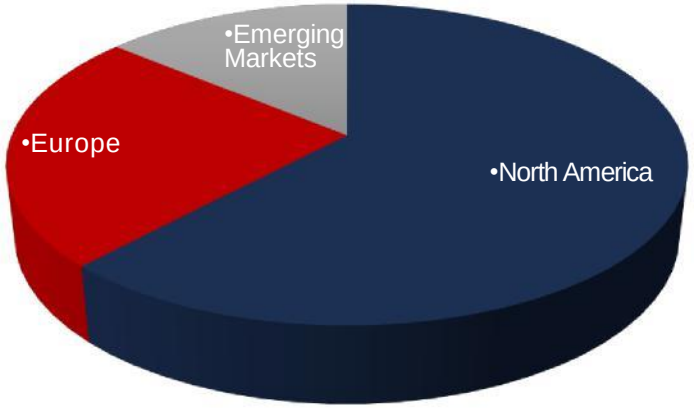
Key highlights for ADAPT® portfolio in 2018

- Significant investment of resources made in training sales force and the introduction of digital sales and marketing tools
- ADAPT® launch in India late January 2018
- CardioCel 3D® available in US from February 2018
- Distributor model introduced in Europe
- ADAPT forecast to record 150% revenue growth for FY18

•Revenue by Quarter



•Sales by region



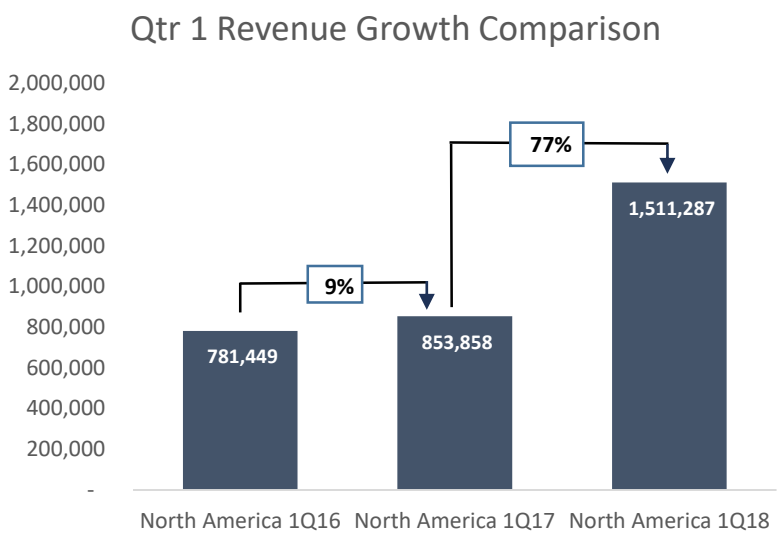
2018-Making friends and gaining traction

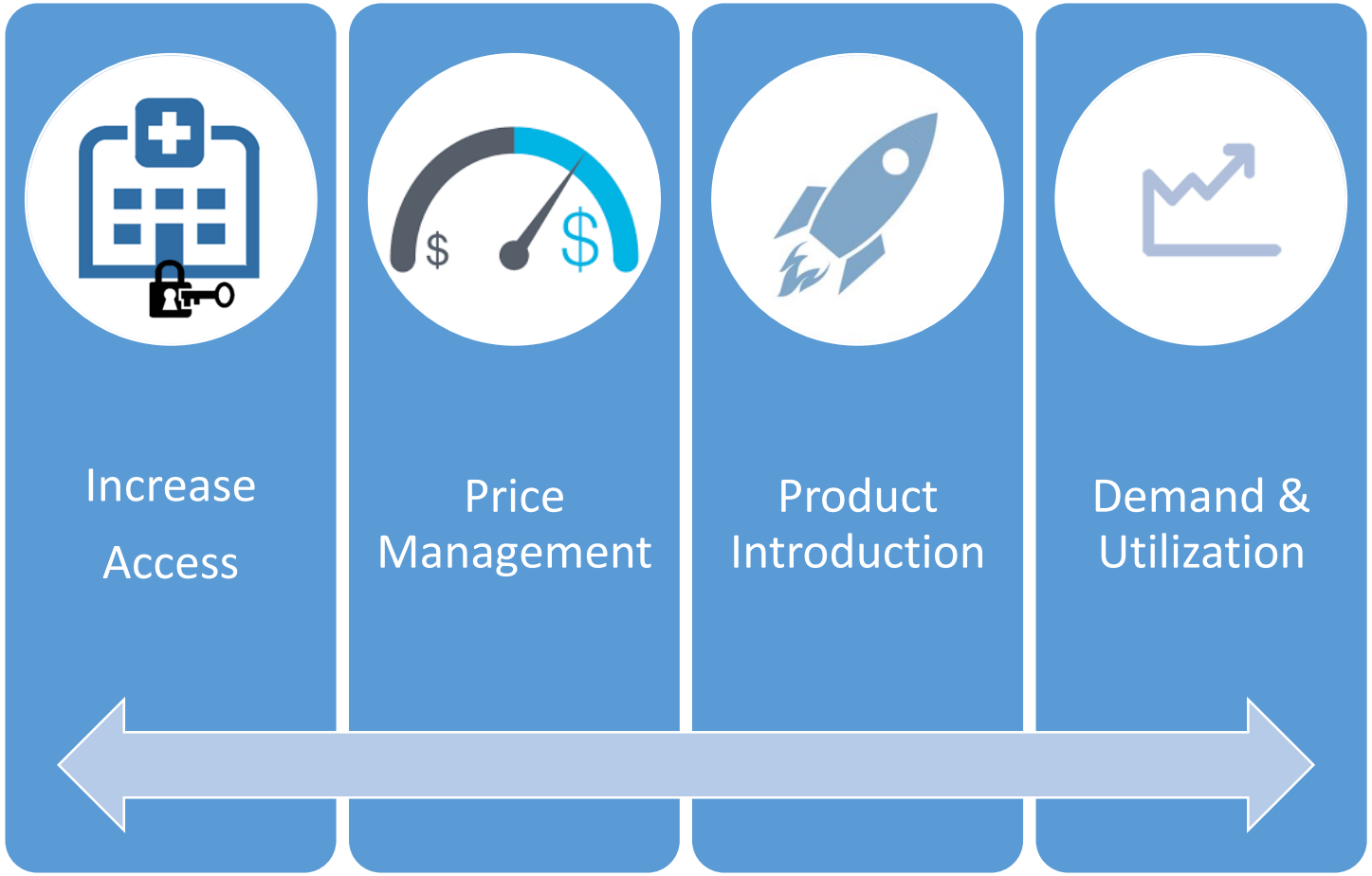
ADAPT North America

ADAPT® US

Our 4 Pillar strategy is being executed according to plan

Growth Q1 stronger than previous year





Increase Access

Solid progress

HealthTrust Agreement Executed per plan – contract Awarded April

Next Step: drive agreements with High Potential HealthTrust IDNs

Funnel Progress

- Largest and highest priority system on track for June award
- 2nd & 3rd target systems on track for July award
- 4th & 5th priority targets in process – currently projecting award in August or September

Other Activities

1. Kaiser – significant progress, targeting agreement in December
2. Ascension - in process – progress slower than planned; working to expedite
3. Premier – decision to reprioritize this partnership due to strategic fit

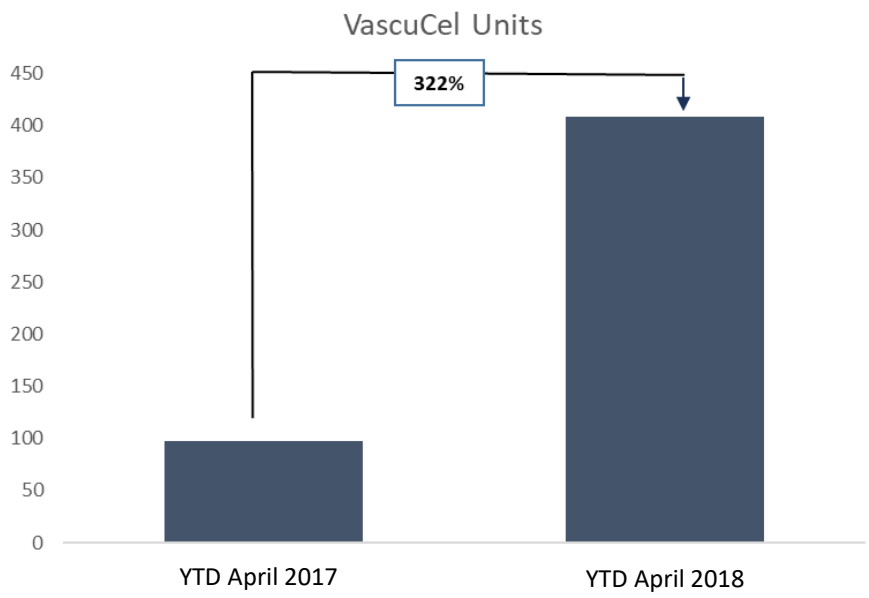
Potential Upside

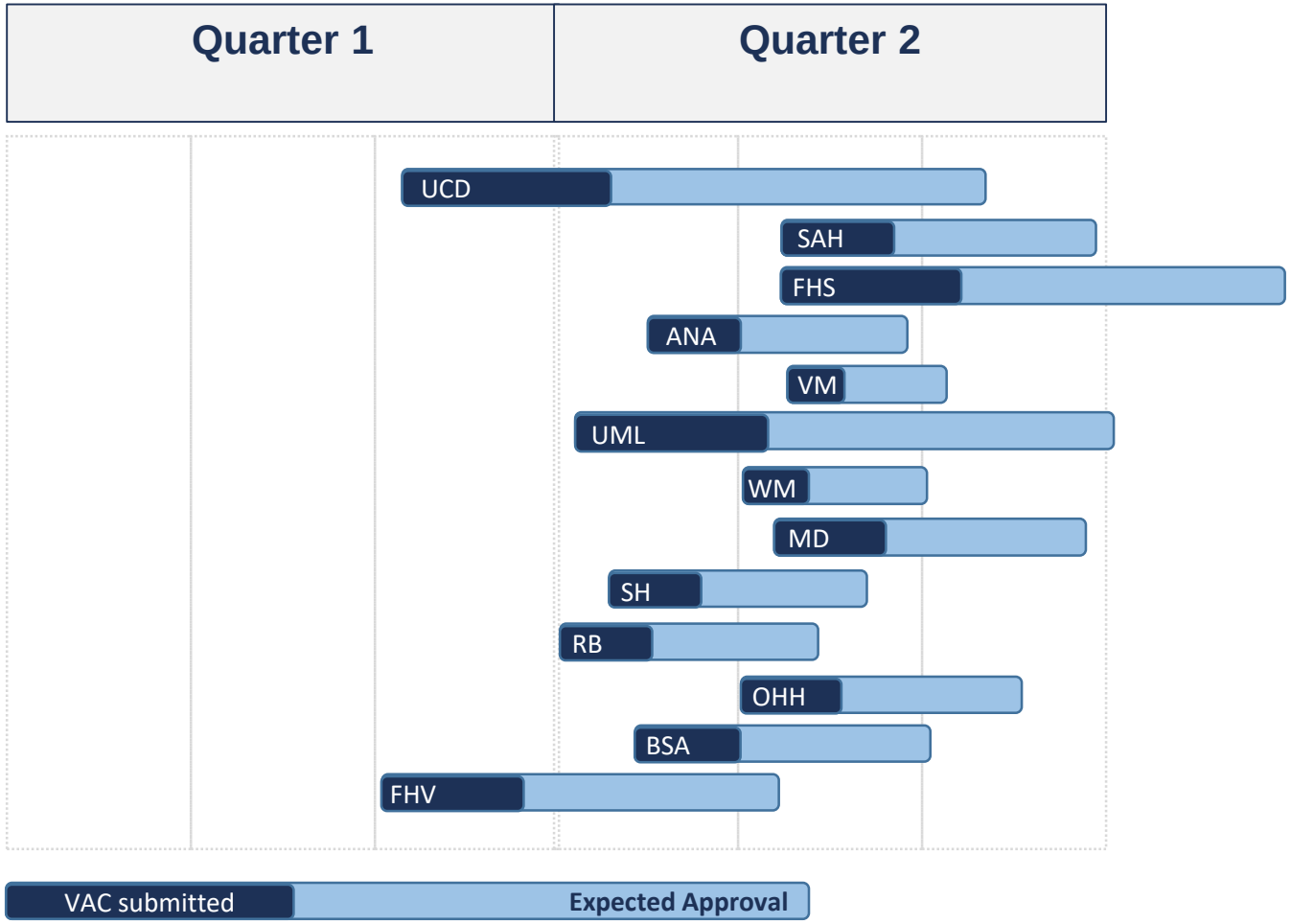
In process with two independent IDNs

- one targeted June
- the 2nd July/August

Product Launch

VascuCel – year on year strong growth and robust opportunity funnel

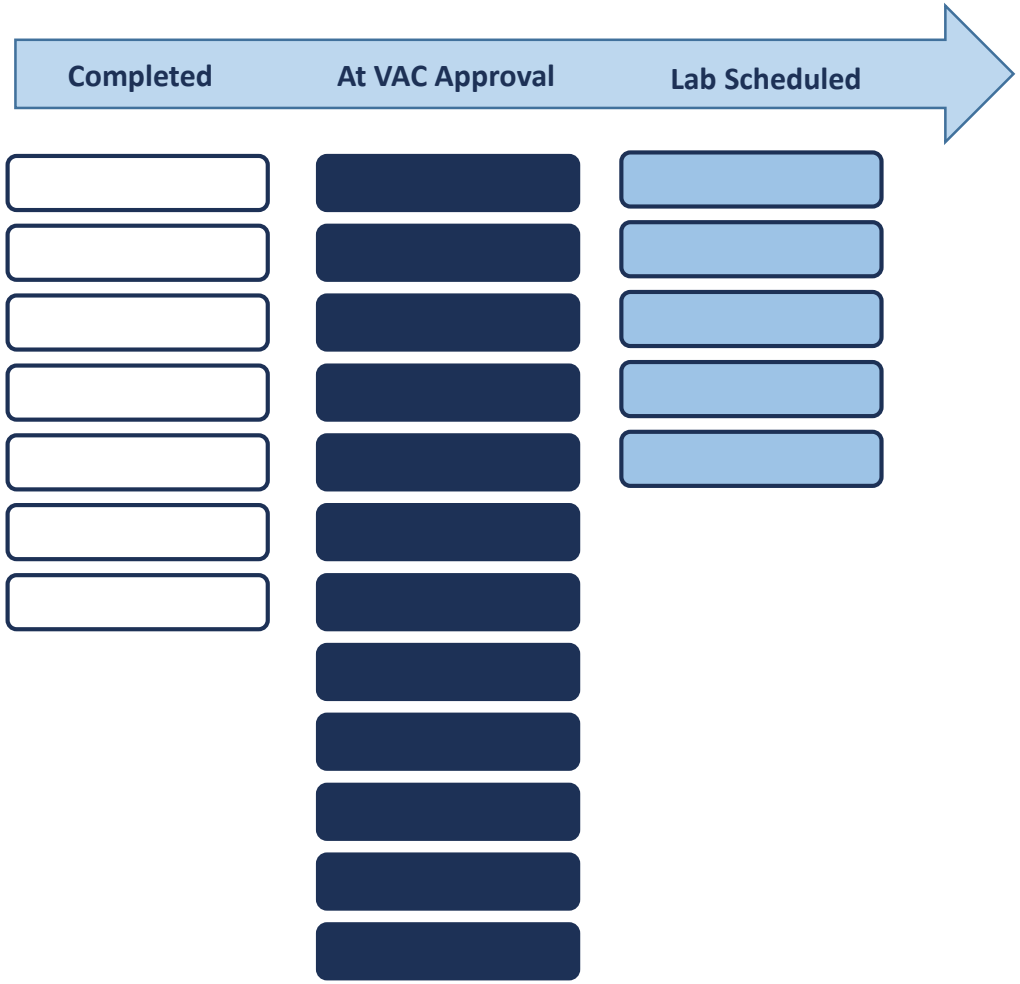




Growth forecasted in Plan for the year:300%

Product Launch

CardioCel 3D – agressively moving cases through the funnel



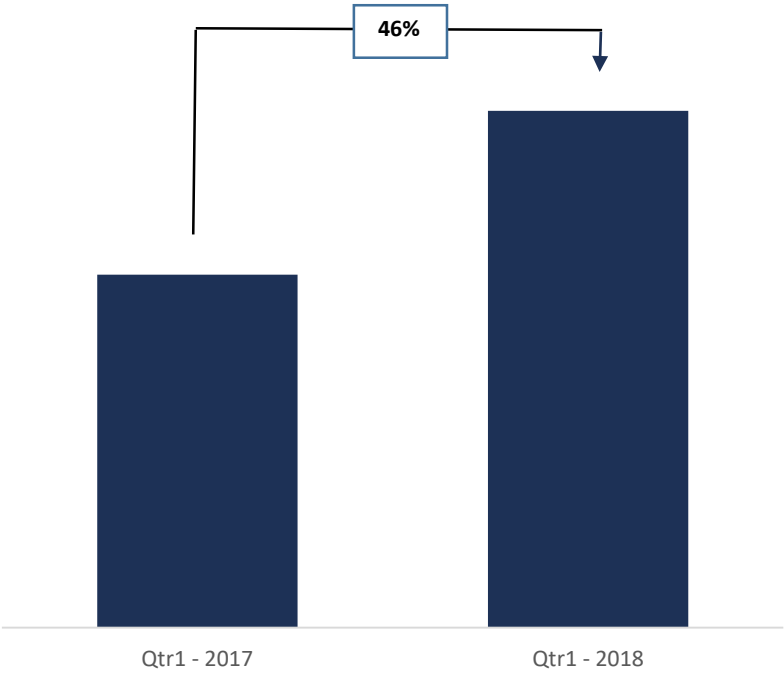
Since launch in mid-Q1, we have executed a robust education and training program, and developed clinical experience

- Model requires education in the form of “dry lab” and then participation in first case by Admedus Clinical expert
- Approach slightly slows the sales process, but ensures successful outcome with this specialised product
- 7 cycles completed already in Q2
- 12 labs completed and awaiting hospital committee approval (expected this month)
- 5 new labs scheduled already for the remainder of Q2
- Pace will continue to increase throughout the year
- 33 units since launch
- 3D accounts for 18% of planned revenue for 2018

Demand

New Products VascuCel and 3D strong, but CardioCel line also growing YoY

CardioCel & CardioCel NEO



We have executed the plan we detailed at last AGM – a tremendous amount of new capability established while increasing sales

- Created New Training Program - "Admedus Institute"
  - World class curriculum
  - Facilitates progression from territory Rep to Clinical Specialist
- Refreshed Field Force with new Rep profiles
  - Field force recruited and trained by Mid-February
  - All territories filled – no current vacancies
  - Attracted high performing reps from BioPharma and Regenerative Medicine
- New Area Manager structure for increased performance
  - Created 2 new regions under newly created regional manager position
  - Recruited experience First Line Sales Manager for East Region
  - Implemented Metrics system around account management
- Re-organised territories
  - Reorganized territories to focus on strategic accounts
  - Penetration first, expansion second – more efficient
- Geographic expansion & penetration via third party partnerships
  - Engaged new partner for South Carolina, Georgia
  - Engaged existing partners to expand coverage in central and mid-west territories

ADAPT Europe

Europe

Executing the plan... establishing permanent presence and critical scale

Performance was mixed in Q1 due to regulatory delay, despite major momentum on building operations….

- RVP recruited and on-boarded
- Operational assessment completed
  - Vacant position in UK filled
  - New Rep in France recruited
  - Spain distribution contract signed
  - New agents for Poland, CH, and Benelux
  - 7 New accounts opened in Germany
- Permanent Geneva Office opened
- EU Operations Manager hired – starts June 1st

- Impending changes to regulations are impacting ongoing indication expansion
  - While not yet in force, new Regs causing slowness in decisions
  - Dossier harmonization originally planned Q2 is now projected to Q3
  - Impacts CardioCel and 3D in forecast

- Delayed dossier harmonization offers opportunity to include VascuCel
- Represents significant upside in 2nd half of year; will offset much of 1st half softness

ADAPT Emerging Markets

Emerging Markets

Strong performance and clinical advocacy

Performance in the region is further underscored by upcoming publication of unprecedented clinical results

- Q1 results above plan
- India launched successfully
- Turkey approval and first order received
- Mexico regulatory submission ongoing
- New Australian business manager on-boarded – driving upsides in SAS and building launch readiness ahead of TGA approval (Q3)

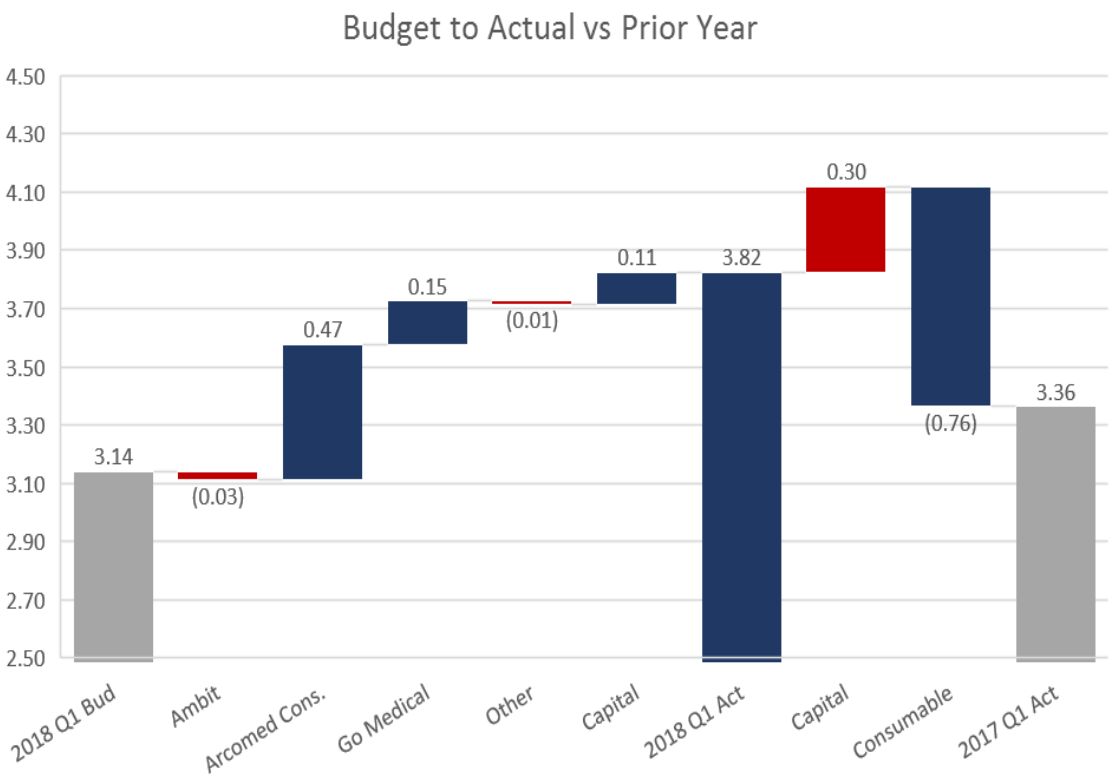
Potential Upside

- Mexico approval (not in plan)
- 3D submission to MENA, approval pending
- Access path Japan
- China regulatory environment shifting

Infusion

Infusion

Ahead of plan – remodelling for the future



Leveraging solid performance, our restructured Infusion team and new Business Unit Head, are developing a strategic vision and revised operating model.

- Flinders tender submitted per plan
- New Royal Adelaide account moving into stable operating mode
- Conducted review of territory alignments to ensure commercial footprint is aligned with opportunity
- Recruited key new positions
  - Product Manager
  - National Sales Manager
- Portfolio Review – all product lines growing
  - Identify opportunities to add portfolio breadth
- April sales ahead of plan

Immunotherapies

Immunotherapies

Changing direction

Partnering with world-leading researchers, including Professor Ian Frazer, Admedus Immunotherapies has been researching potential herpes vaccines.

- The global cancer immunotherapy market was estimated at $63 billion in 2016 and is expected to reach $160 billion by 2023 growing at a CAGR of 14.3%*.
- Cancer is the second leading cause of death globally, and was responsible for 8.8 million deaths in 2015. Globally, nearly 1 in 6 deaths are due to cancer according to WHO.
- Pre-clinical data established using combination HPV vaccine and checkpoint inhibitor anti-PD-L1.
- Secured access to AstraZeneca's checkpoint inhibitor Imfinzi™ for Phase 1b clinical trial.
- Protocol currently being finalised with AstraZeneca.
- Further pre-clinical research combining HPV vaccine with other checkpoint inhibitors.
- The team has successfully completed Phase I and IIa trials, testing our therapeutic HSV-2 vaccine, demonstrating proof-of-concept.
- The team has won approval to test our therapeutic HPV vaccine in head and neck cancer patients, who have received curative treatment.

**Statistics Market Research Consulting Cancer Immunotherapy Market Report, Size, Share, Analysis 2017 and Forecast to 2023*

Admedus took the strategic decision in 2017 to de-fund this division and seek alternative funding options

We are currently finalizing a contract with a consortium who will fund the division through to IPO

- Alternative funding opportunity identified
- Letter of Intent signed with Hong Kong-based investor , Star Bright Holding Ltd.
- Initial investment of $18M for 60% interest with existing shareholders retaining 40%.
- Terms and conditions of the deal to be negotiated over the next 5 months.
- Deal to continue the important and life-saving work of developing vaccines and treatments for a variety of diseases and cancers.

Immunotherapies – Changing Direction

- Approval to test the therapeutic HPV vaccine in head and neck cancer patients , who have received curative treatment.
- First patient dosed at Princess Alexandra Hospital in Brisbane.
- Pre-clinical data established using combination HPV vaccine and checkpoint inhibitor anti-PD-L1.
- Secured access to anti-PD-L1 checkpoint inhibitor for Phase 1b clinical trial in combination with HPV vaccine.
- Trial to involve patients with recurrent and/or metastatic HPV-related head and neck cancer.
- Plans to carry-out cervical cancer study in China following safety studies of HPV vaccine in Brisbane.
- Further development of the HSV-2 vaccine also planned for clinical studies in China .

Immunotherapies – Milestones

- **BUSINESS**
- Secure $18M funding in 2H 2018.
- Appoint new CEO to oversee global Immunotherapies business.
- Public listing of business on overseas stock exchange in 2020/21.

- **CLINICAL**
- Phase I safety study of therapeutic HPV vaccine to be completed end 2018.
- Phase Ib combination HPV vaccine and anti-PD-L1 checkpoint inhibitor study to commence 1H 2019.
- China Phase Ib study of HPV vaccine in cervical cancer anticipated to commence in 2020.
- Phase II study of HSV-2 vaccine to commence in 2020 in China.
- Pubic listing of business on overseas stock exchange in 2020/21.

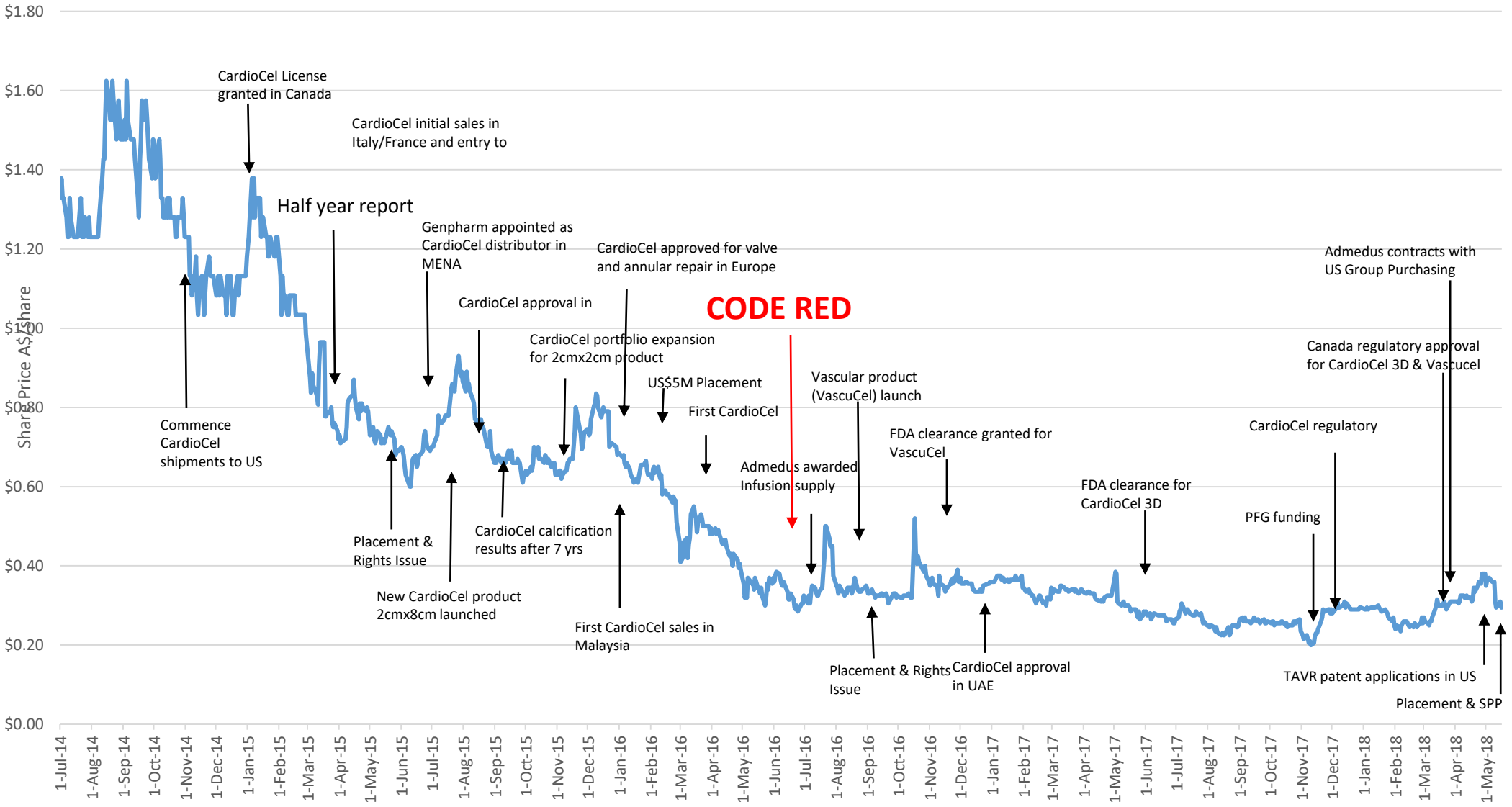
Famous quotes

- *“The abdomen, the chest and the brain, will forever be shut from the intrusion of the wise and humane surgeon.”* **Sir Eric Ericksen, Surgeon Extraordinary to Queen Victoria 1873**
- “*Louis Pastueur’s theory of germs is ridiculous fiction.*” **Pierre Pachet, Professor of Physiology Toulouse 1872**
- “*Man will never reach the moon regardless of all future scientific advances.*” **Dr Lee De Forest , inventor of the vacuum tube and father of television**
- “*I cannot tell a lie. I cut down the cherry tree*.” **George Washington.**
- “I will not raise dilutive capital.” **Wayne Paterson, 2016.**

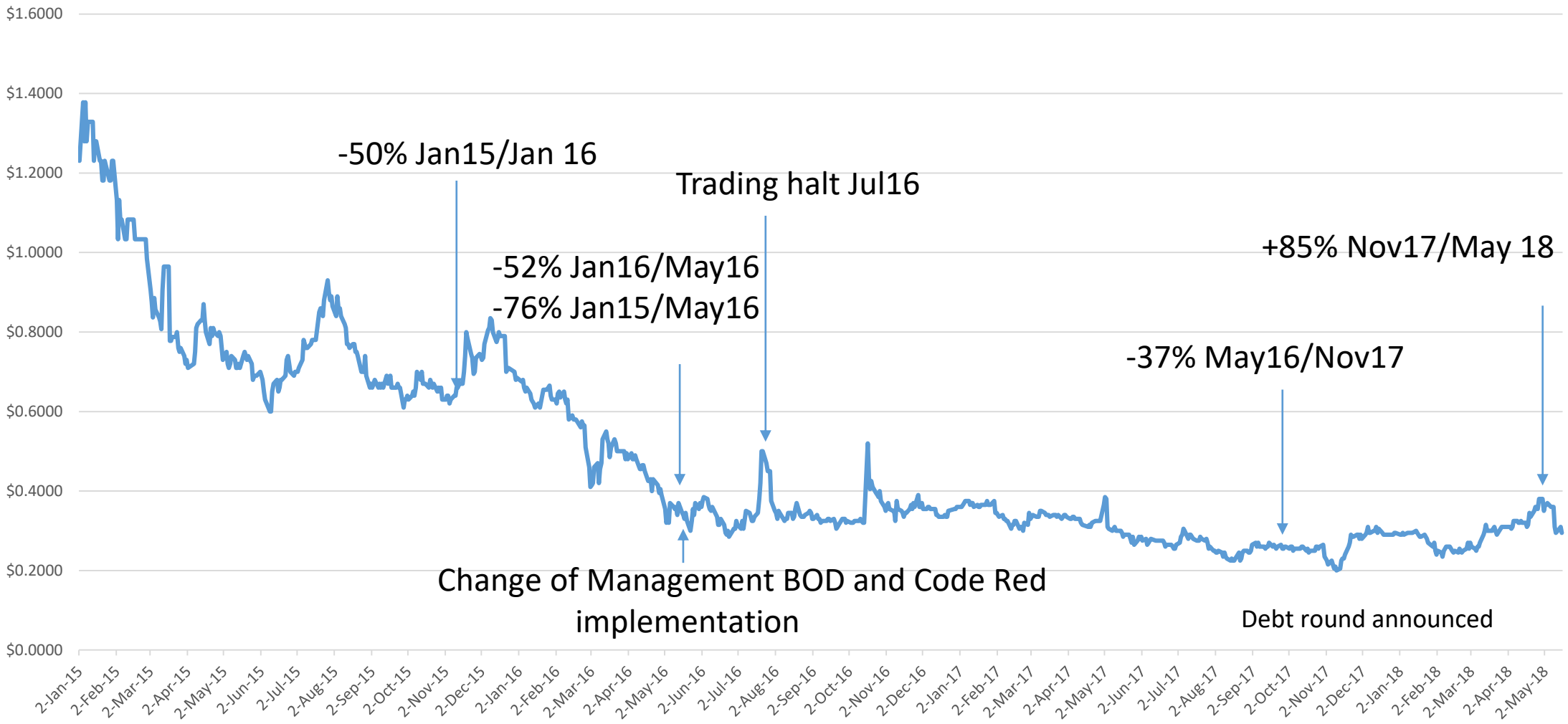
Profit versus Growth or Profitable Growth

- Vision 2020 requires an extended portfolio (as outlined in 2016).
- The current revenues will support us to breakeven and profit but will not allow us to meet the Vision 2020 objective in terms of number of products in the market.
- Share price is a function of shares on issue, total revenues, market traction, pipeline and expenditure management.
- Total revenue and revenue growth are key drivers of SP.
- Profitable growth requires resources to build revenue streams.
- In early stage companies profit versus growth is a trade off.

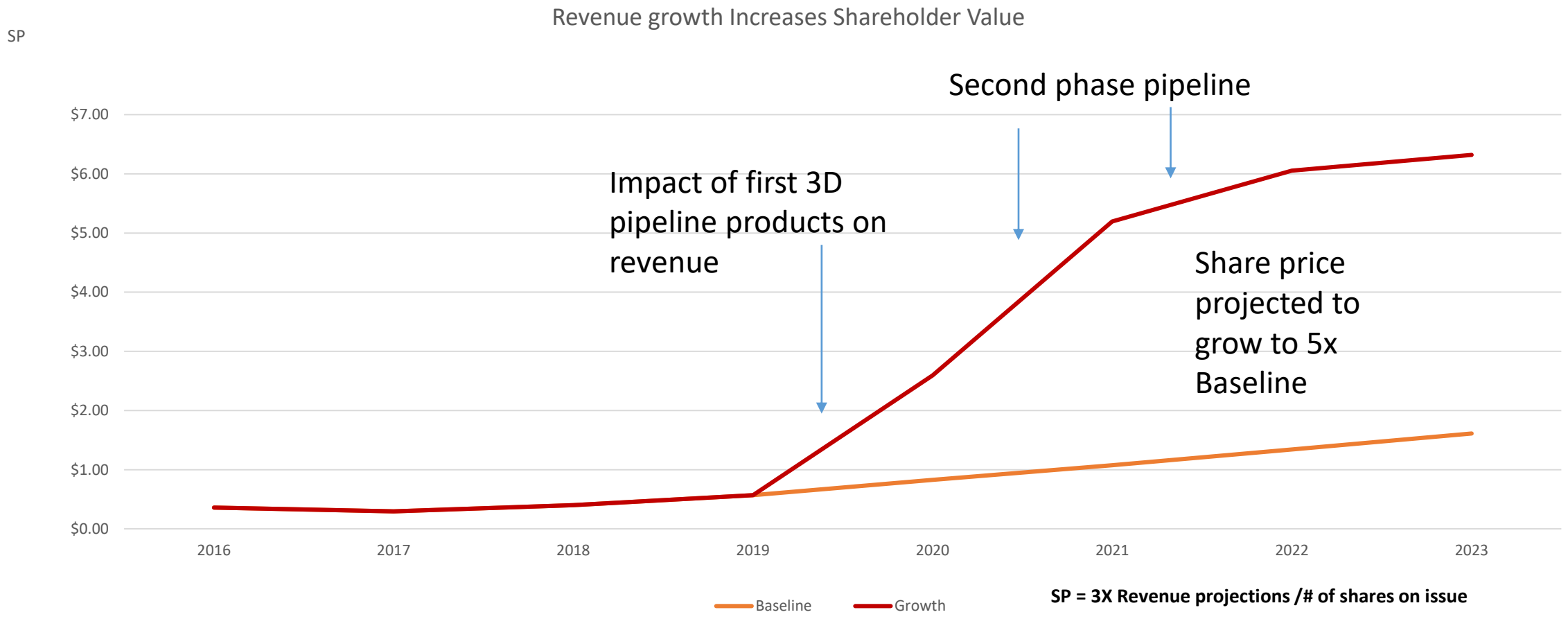
Share price disconnect…or is it ?



Share price trajectory 2015 – 2018
Reversing the long term decline



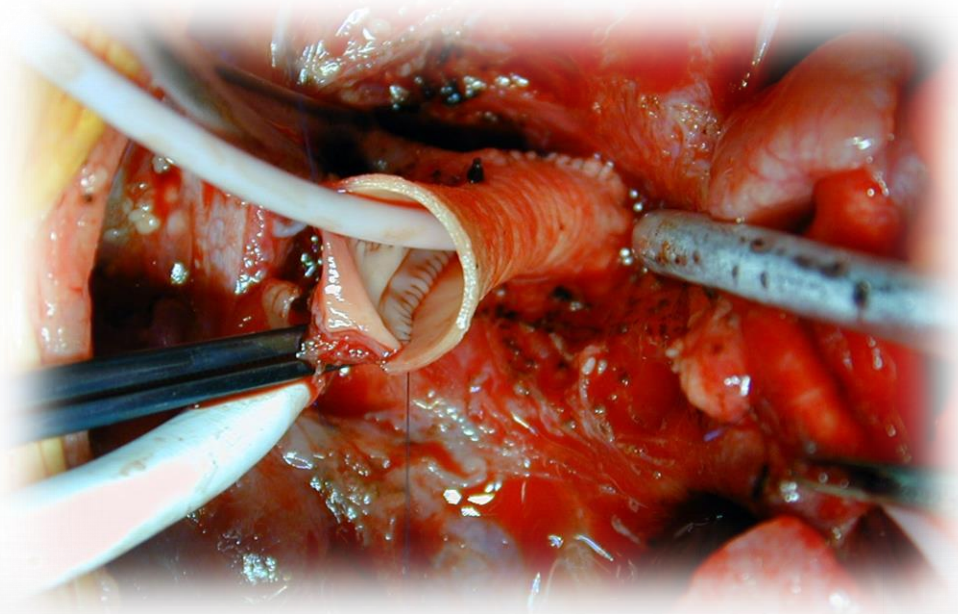
Share price appreciation as a function of pipeline/revenue growth



SP = 3X Revenue projections /# of shares on issue

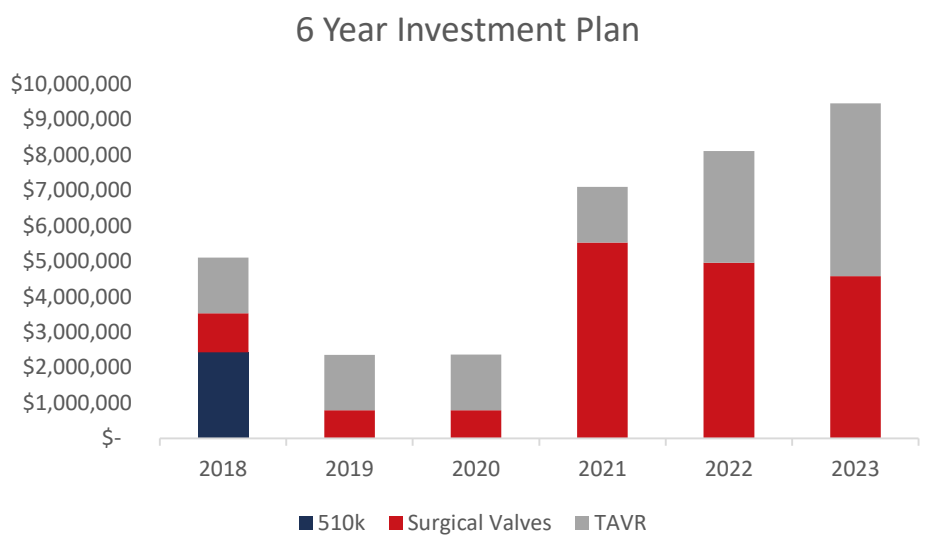
TAVR,SAVR and the 3D universe

- Multiple 3D projects in the pipeline
- Prioritized by 510k and PMA regulatory pathways
- Development of Surgical and Transcatheter Aortic valves simultaneously



R&D

We intend to invest $34.5M over next 6 years to transform into a mid-sized company



Investment Significantly offset by partnership revenue

1 $2.4M investment to drive near-term revenue

- $28.8M in Revenue 2018-2022

2 $17.7M investment to drive mid-term revenue

- $205M in Revenue 2023-2028
- Investment funds projects through to full commercialization

3 $14.3M investment to drive long-term revenue

- Investment funds projects through pre-clinical up to Pivotal study

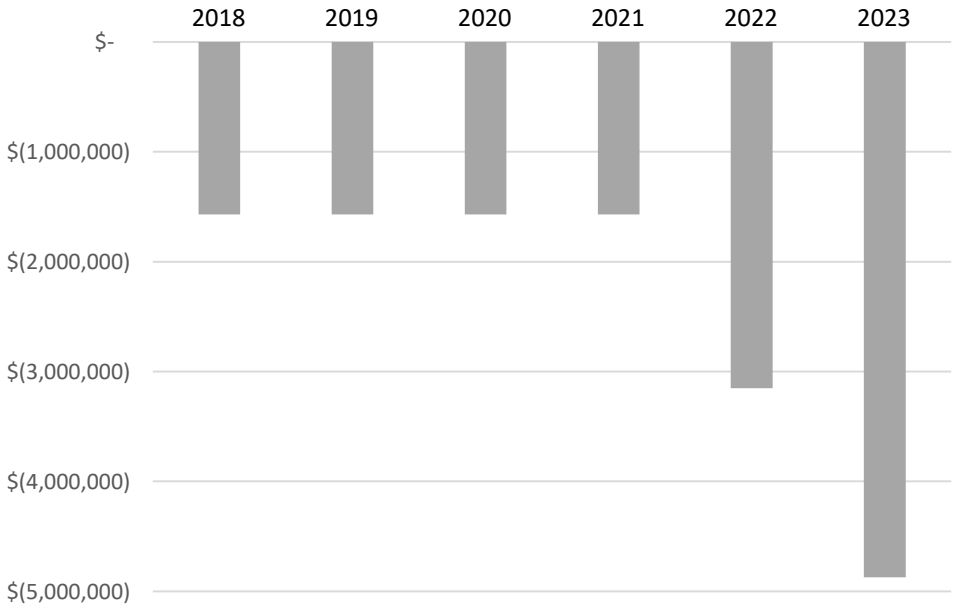
Mid-LongTerm Revenue

Out ADAPT technology offers the potential for a paradigm shift in this high value space...

Investment

$14.3M

2018-2023

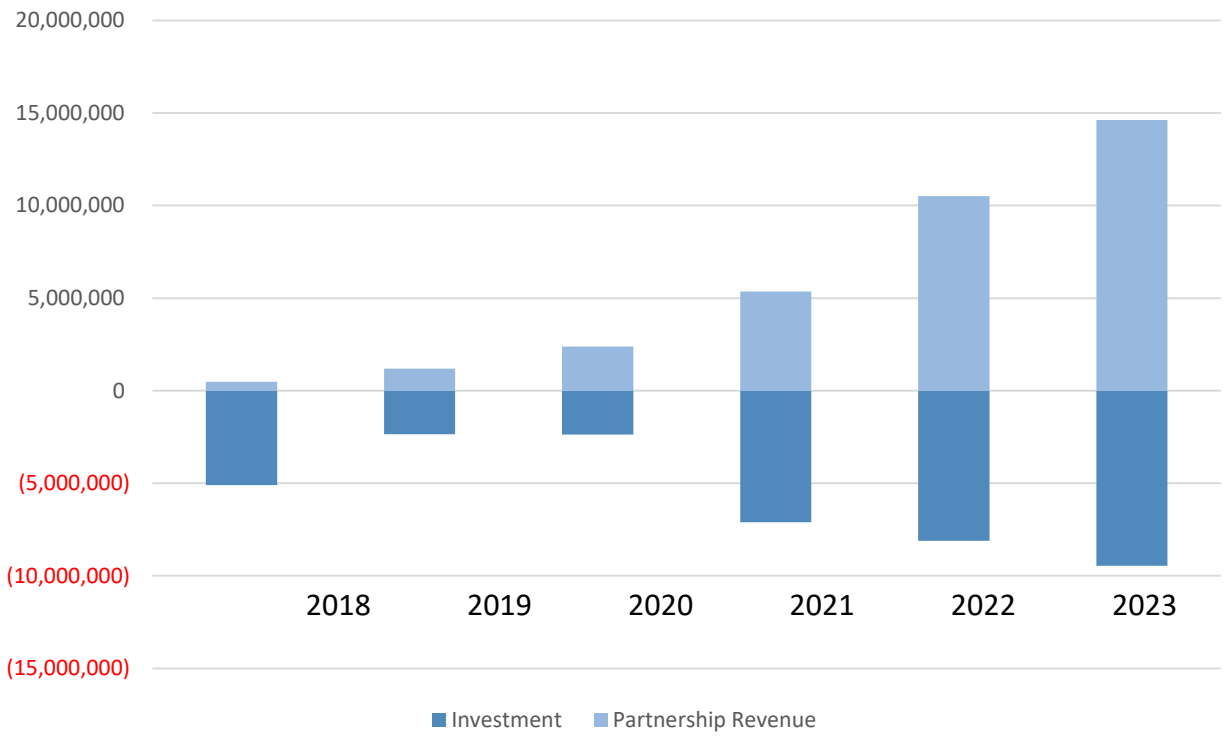


Allows us to play in a US$3.9B space

- CAGR of 16% - projected to be $5.8B by 2025
- Investment funds us up though Pivotal Trial
- 10% Market share for Admedus equals $580M

Investment

Our initial investment allows us to bridge to partnership revenue



Pipeline funding post CR

- Initial investment allows for bridge to partnership revenue
- Partnership revenue funds $9M of $11M investment needed 2019-21
- Partnership funds development fully to near-term commercialization and pivotal trial for TAVR 2022-2023

	2018	2019	2020	2021	2022	2023
Investment	(5,101,266)	(2,357,595)	(2,364,557)	(7,097,046)	(8,109,705)	(9,451,477)
Partnership Revenue	475,949	1,189,873	2,379,747	5,354,430	10,506,329	14,620,253
Total	(4,625,316)	(1,167,722)	15,190	(1,742,616)	2,396,624	5,168,776

*Partnership revenues from 4C and dependant on successful commercialization

Regulatory Status

Nov 2017 - May 2018

CardioCel Approvals

India
Turkey

***CardioCel 3D* Approvals**

Canada

***CardioCel 3D* Pending**

KSA
Kuwait
UAE
Lebanon
Singapore
Malaysia
Vietnam
Taiwan
EU

***CardioCel NEO* Pending**

Philippines
Taiwan
Vietnam
Thailand
Kuwait

***VascuCel* Approvals**

India
Canada

***VascuCel* Pending**

Vietnam
Taiwan
Thailand
Philippines
Malaysia
Singapore
EU

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Innovation to support life’s journey is at the heart of our story.

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