

**AVITA Therapeutics, Inc.**  
**Pre-quotation disclosure**  
**24 June 2020**

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The following information is provided by AVITA Therapeutics, Inc. ARBN 641 288 155 (**Avita US**) to ASX for release to the market in connection with the admission of Avita US to the official list of ASX and the quotation of Avita US's CDIs on ASX.

Unless the context requires otherwise, capitalised terms which are not otherwise defined in this document have the meanings given to them in the scheme booklet released by AVITA Medical Limited (**Company**) to the market on 12 May 2020 (**Scheme Booklet**).

**1 Conditions precedent to Scheme**

All conditions precedent to be satisfied prior to the implementation of the Scheme have been satisfied in accordance with the Implementation Agreement.

**2 Implementation Agreement and Deed Poll**

The Implementation Agreement and the Deed Poll remain in full force and effect.

**3 Continuous disclosure compliance**

The Company has confirmed to Avita US that it was in compliance with ASX Listing Rule 3.1 at the time the Company's shares ceased trading on ASX, being close of trading on 23 June 2020.

**4 Despatch dates**

In relation to all Avita US CDIs to be issued under the Scheme that will be held on the CHESS sub-register, a CHESS allotment confirmation notice from Avita US will be despatched to the relevant Avita US CDI Holders on 30 June 2020.

In relation to all other Avita US CDIs to be issued under the Scheme, issuer sponsored holding statements will be despatched to the relevant Avita US CDI Holders on 30 June 2020.

**5 Deferred settlement trading**

Eligible Shareholders who trade Avita US CDIs during the deferred settlement trading period will not necessarily know the exact number of Avita US CDIs (if any) they will receive under the Scheme until after the Implementation Date. This information will be included in the CHESS allotment confirmation notices and holding statements (referred to in section 4 above), which will only be despatched to Eligible Shareholders after implementation of the Scheme. Therefore, Eligible Shareholders should be aware that if they trade in Avita US CDIs during the deferred settlement trading period and prior to

receipt of their CHESS allotment confirmation notice or holding statement (referred to in section 4 above), they do so at their own risk.

Eligible Shareholders who wish to determine their entitlements to receive Avita US CDIs for the purposes of deferred settlement trading should refer to the Scheme Booklet (which contains detailed information in relation to entitlements).

## 6 Indicative statement of 20 largest holders of Avita US CDIs

Below is an indicative statement of the 20 largest holders of Avita US CDIs<sup>1</sup>, and the number and percentage of issued Avita US CDIs held by those holders, based on the Company's register as at 19 June 2020 (assuming all issued Avita US Shares are held as Avita US CDIs and also taking into account the Shares that underpin the ADSs).

Rank	Name	Indicative number of CDIs held	% of number of issued CDIs
1	THE BANK OF NEW YORK MELLON <sup>2</sup>	30,845,995	28.74
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,351,575	9.64
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	9,686,555	9.02
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	7,829,340	7.29
5	CITICORP NOMINEES PTY LIMITED	7,229,480	6.74
6	NATIONAL NOMINEES LIMITED	4,673,105	4.35
7	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	2,368,000	2.21
8	MR MICHAEL PERRY	1,263,045	1.18
9	ATEQ INVESTMENTS PTY LTD	590,000	0.55
10	CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	557,555	0.52
11	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED <EQUITY FINANCE A/C>	478,855	0.45
12	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	463,095	0.43
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	422,280	0.39
14	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	420,435	0.39
15	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	288,475	0.27
16	MR ADRIAN SIMUN PULJICH	263,645	0.25

<sup>1</sup> 5 Avita US CDIs represent a beneficial ownership interest in one Avita US Share.

<sup>2</sup> To enable The Bank of New York Mellon, as ADS Depositary, to effect the distribution of the scheme consideration to ADS Holders, Avita US will issue the scheme consideration as required to Cede & Co, the registered nominee of The Depository Trust Company (being the Central Securities Depository in the United States), and The Bank New York Mellon as the exchange agent.

17	UBS NOMINEES PTY LTD	233,180	0.22
18	DIBBENS DEVELOPMENTS PTY LIMITED <DIBBENS SUPER BEN FUND A/C>	225,000	0.21
19	MR ANTHONY MARK SAIA & MRS CARMEN SAIA <SAIA FAMILY SUPER FUND A/C>	217,500	0.20
20	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	215,495	0.20
	Top 20 Total	78,622,610	73.25
	Remaining Holders	28,716,950	26.75
	Grand Total	107,339,560	100.00

## 7 Indicative distribution of holders of Avita US CDIs

Below is an indicative distribution schedule of the number of holders of Avita US CDIs, categorised by the size of their indicative holdings, based on the Company's register as at 19 June 2020 (assuming all issued Avita US Shares are held as Avita US CDIs and also taking into account the Shares that underpin the ADSs).

Holding Ranges	Indicative number of Avita US CDI Holders	Indicative number of Avita US CDIs held
1 to 1,000	18,174	5,466,030
1,001 to 5,000	3,626	7,961,875
5,001 to 10,000	465	3,370,920
10,001 to 100,000	413	10,281,440
100,001 to 99,999,999,999	32	80,259,295
Total	22,710	107,339,560

## 8 Key terms of Options, Warrants and RSUs

### Options

#### *Options granted under the ESOP*

In November 2016, the Company adopted an Employee Incentive Option Plan (**ESOP**) (a copy of which has previously been released to the market).

The ESOP is administered by the Company's remuneration committee, to whom the Board delegated its powers under the ESOP. Subject to Board approval (where required), the remuneration committee has the authority, in its sole discretion, to grant unlisted options to subscribe for fully paid ordinary shares in the Company (**Options**) to Eligible Employees (as defined in the ESOP) (**Eligible Employees**) in accordance with the terms of a Share Option Agreement (as defined in the ESOP) between the Company and the Eligible Employee.

The Options granted to Eligible Employees under the ESOP (pursuant to the Share Option Agreements) are subject to vesting conditions based on matters such as tenure, performance hurdles and other conditions that must be satisfied before the Option can be exercised. Once vested, each Option gives

Eligible Employees the right to be issued one share in the Company, upon the payment of a specified exercise price, before a specified expiration date.

As at the date of this document, there are 110,189,999 Options granted to Eligible Employees under the ESOP on issue, a summary of the exercise prices and expiration dates of which is outlined in the following table:

<b>Number of Options granted under the ESOP on issue</b>	<b>Exercise Price (A\$)</b>	<b>Expiration Date</b>
11,180,415	\$0.085	18 May 2027
1,072,916	\$0.082	26 May 2027
803,750	\$0.080	27 June 2027
4,000,000	\$0.063	6 September 2027
1,400,000	\$0.056	12 June 2028
1,700,000	\$0.059	25 June 2028
13,550,000	\$0.089	1 November 2028
18,296,250	\$0.082	30 November 2028
3,000,000	\$0.057	18 April 2028
8,360,000	\$0.057	16 April 2028
700,000	\$0.057	14 June 2028
6,546,250	\$0.082	2 January 2029
330,000	\$0.089	2 January 2029
6,866,250	\$0.300	1 April 2029

8,717,084	\$0.420	28 June 2029
1,000,000	\$0.440	1 July 2029
930,000	\$0.590	1 October 2029
13,500,000	\$0.560	25 November 2029
4,627,084	\$0.790	13 February 2030
730,000	\$0.515	1 April 2030
2,880,000	\$0.480	10 June 2030
<b>Total Options granted under the ESOP on issue: 110,189,999</b>		

With effect from the implementation date of the Scheme, every tranche of 100 Options granted to Eligible Employees under the ESOP will, once vested, give the relevant holder the right to be issued one Avita US Share upon payment of the relevant aggregate exercise price for those 100 Options (using the relevant exercise price per Option as set out above) before the specified expiration date (as set out above) in accordance with, and pursuant to, their terms of issue and the deed poll entered into by Avita US on or about 6 May 2020 in favour of, amongst others, the holders of the Options.

The Company does not intend to grant any further Options under the ESOP and, once all of the Options granted under the ESOP on issue have been exercised or lapsed, the Company intends to terminate the operation of the ESOP. However, at the annual meeting of Avita US Shareholders, which is expected to take place in the last quarter of 2020, Avita US intends to seek Avita US Shareholder approval of a new employee incentive plan, which will generally contain similar or equivalent commercial terms to the ESOP.

#### *Options granted to Dr Michael Perry, CEO*

At the Company's 2018 AGM on 30 November 2018, the Company's shareholders approved the issue to the Company's CEO, Dr Michael Perry, of 15,000,000 unlisted Options (**Perry Options**), which were issued to Dr Perry on 30 November 2018.

The Perry Options are subject to vesting conditions based on the tenure of Dr Perry, the Company's share price and milestone performance by the Company as follows:

- (a) *Tenure* - a tranche of 3,333,333 Options, all of which have vested in accordance with the relevant tenure vesting conditions;
- (b) *Share price* - a tranche of 9,166,667 Options, all of which have vested in accordance with the relevant share price vesting conditions; and

- (c) *Milestone performance* - provided that Dr Perry is still employed by the Company, a tranche of 2,500,000 Options to vest upon the achievement of the milestones "Initial procurement under the BARDA contract" under CLIN2 of the BARDA contract for 5,614 ReCell devices totalling USD\$7,594,620.

Once vested, each Perry Option gives the holder the right to be issued one share in the Company, upon the payment of a specified exercise price (being A\$0.082 per Perry Option), before a specified expiration date (being 30 November 2028).

As at the date of this document, there are 15,000,000 Perry Options on issue.

With effect from the implementation date of the Scheme, every tranche of 100 Perry Options will, once vested, give Dr Perry the right to be issued one Avita US Share upon payment of the relevant aggregate exercise price for those 100 Perry Options (being an exercise price of A\$0.082 per Perry Option) before the specified expiration date (being 30 November 2028) in accordance with, and pursuant to, their terms of issue and the deed poll entered into by Avita US on or about 6 May 2020 in favour of, amongst others, the holder of the Perry Options.

### **Warrants**

In February 2016, the Company issued warrants, in the nature of unlisted Options, to various advisers who assisted the Company with a private placement in late 2015 (**Warrants**).

The Warrants are not subject to any vesting conditions.

Each Warrant gives the holder the right to be issued one share in the Company, upon the payment of a specified exercise price (being A\$0.126 per Warrant), before a specified expiration date (being 31 December 2020).

As at the date of this document, there are 862,415 Warrants on issue.

With effect from the implementation date of the Scheme, every tranche of 100 Warrants will give the relevant holder the right to be issued one Avita US Share upon payment of the relevant aggregate exercise price for those 100 Warrants (being an exercise price of A\$0.126 per Warrant) before the specified expiration date (being 31 December 2020) in accordance with, and pursuant to, their terms of issue and the deed poll entered into by Avita US on or about 6 May 2020 in favour of, amongst others, the holders of the Warrants.

### **Restricted Stock Units (RSUs)**

RSUs are unfunded and unsecured contractual entitlements to be issued or transferred shares in the Company on a future date (after vesting of the entitlement) without the requirement for the holder to pay monetary consideration.

As at the date of this document, there are 33,935,918 RSUs of the Company on issue to the following persons:

- Dr Michael Perry, CEO (29,435,918 RSUs); and
- David McIntyre, CFO (4,500,000 RSUs).

The RSUs on issue to Dr Perry are subject to the following vesting conditions:

(a) *Tenure*

- (i) 4,750,700 RSUs to vest on 1 June 2021, provided that Dr Perry has been continuously employed as CEO of the Company for the period to 31 May 2021; and

- (ii) 4,750,700 RSUs to vest on 1 June 2022, provided that Dr Perry has been continuously employed as CEO of the Company for the period to 31 May 2022.
- (a) *Performance* - provided that Dr Perry is and has been continuously employed as CEO of the Company at the relevant time:
  - (i) 8,333,334 RSUs to vest upon the date there is Initial BARDA Procurement under CLIN2 of the BARDA contract for 5,614 ReCell devices totalling USD\$7,594,620 (with these RSUs to expire if they have not vested on or before 30 November 2027);
  - (ii) 6,850,485 RSUs to vest where the first patient first visit for treatment in an FDA approved US paediatric trial by the Company prior to 30 June 2020;
  - (iii) 2,375,350 RSUs to vest on the submission before 30 June 2021 to the FDA of an application for approval of a next generation RECELL device (being an improvement of the current RECELL device and providing for ease of clinician use); and
  - (iv) 2,375,349 RSUs to vest on approval by FDA approval prior to 30 June 2022 of a next generation RECELL device (being an improvement of the current RECELL device and providing for ease of clinician use).

The RSUs of the Company on issue to David McIntyre are subject to the following vesting conditions: all RSUs to vest on the earlier of (i) relocation to the greater Los Angeles area, (ii) 18 November 2021, or (iii) the occurrence of a "Control Event" (which, for clarity, excludes implementation of the Scheme).

With effect from the implementation date of the Scheme, every tranche of 100 RSUs will, once vested, give the relevant holder the right to be issued one Avita US Share in accordance with, and pursuant to, their terms of issue and the deed poll entered into by Avita US on or about 6 May 2020 in favour of, amongst others, the holders of RSUs.

## 9 Capital structure

The issued capital of Avita US immediately following implementation of the Scheme will be as follows:

- 21,467,912 Avita US Shares, of which 15,298,713 Avita US Shares will be held by the Authorised Nominee underpinning 76,493,565 Avita US CDIs

In addition, after the implementation date of the Scheme, the holders of the convertible securities of the Company referred to in section 8 above will be entitled, upon vesting of their conversion rights, to be issued Avita US Shares rather than Shares. Applying the 100:1 consolidation ratio set out in section 8 above, these holdings of convertible securities will in economic substance become holdings of the following numbers of 1-for-1 convertible securities in Avita US:

- 1,260,524 unquoted options
- 339,359 restricted stock units

## 10 ASX confirmations

ASX has granted the following confirmations to Avita US:

- (a) that the by-laws of Avita US satisfy the requirements of ASX Listing Rule 1.1 Condition 2, on the basis that the by-laws contain the provisions in Appendix 15A of the ASX Listing Rules;
- (b) that ASX will accept an information memorandum incorporating the Scheme Booklet (**Information Memorandum**) as acceptable in place of a prospectus or Product Disclosure Statement for the purposes of Avita US's application for admission to the official list of ASX pursuant to ASX Listing Rule 1.1 Condition 3;

- (c) that ASX will accept that Avita US will satisfy the free float requirement in ASX Listing Rule 1.1 Condition 7 on the basis that the Company was in compliance with ASX Listing Rule 12.4 at the time it ceased to trade on ASX and, therefore, Avita US will comply with ASX Listing Rule 12.4 at the time of its admission to the official list of ASX;
- (d) that ASX will accept that the directors, CEO and CFO of Avita US are of good fame and character (to the extent that each person was a director, CEO and CFO of the Company prior to completion of the Scheme) on the condition that no further director appointments or resignations are made prior to Avita US's admission to the official list of ASX;
- (e) that ASX will not require Avita US to provide the following information as required by ASX Listing Rule 1.7:
  - (i) items 12 - 18 (inclusive): to the extent necessary that Avita US is only required to provide the details of the good fame and character of new directors of Avita US, being those persons that have not been previously subject to criminal history and bankruptcy checks in connection with an existing director or relevant officer position with the Company;
  - (ii) items 22 and 23: to the extent necessary to permit the Information Memorandum to not include the nature of each material child entity's business;
  - (iii) item 34: to the extent necessary to permit the Information Memorandum to not include a description of the history of Avita US;
  - (iv) item 35: to the extent necessary to permit the Information Memorandum to not include a description of Avita US's existing and proposed activities and level of operations;
  - (v) item 36: to the extent necessary to permit the Information Memorandum to not include a description of the material business risks faced by Avita US;
  - (vi) item 43: to the extent necessary to permit the Information Memorandum to not include details of the existence and main terms of, and the provision of copies of, any material contracts to ASX;
  - (vii) item 44 and 45: to the extent necessary to permit the Information Memorandum to not include a summary of the material terms of, or a copy of, any employment, service or consultancy agreement, and a summary of any other material contract, which Avita US or any of its subsidiaries has entered into with its chief executive officer (or equivalent), any of its directors or proposed directors, or any other person or entity who is a related party of the persons referred to above;
  - (viii) item 46: to the extent necessary to permit Avita US to not provide a confirmation that all information that a reasonable person would expect to have a material effect on the price or value of the securities to be quoted is included in or provided with Avita US's Information Form and Checklist, on the condition that the Company was in compliance with ASX Listing Rule 3.1 at the time it ceased to trade on ASX; and
  - (ix) items 51 - 68 (inclusive): to the extent necessary to permit Avita US to not provide the information in connection with ASX Listing Rules 1.2 and 1.3, on the basis that ASX waives ASX Listing Rule 1.1 Condition 9; and
- (f) that for the purposes of ASX Listing Rule 19.11A, ASX will accept accounts prepared in US GAAP and will not require Avita US to provide a statement reconciling its accounts to Australian Accounting Standards or other international accounting standards.



## 11 ASX waivers

ASX has granted the following waivers to Avita US:

- (a) ASX Listing Rule 1.1 Condition 6 - to the extent necessary to permit Avita US to apply for quotation only of those Avita US Shares (to be settled on ASX in the form of Avita US CDIs) issued into the Australian market, subject to the following conditions:
  - (i) Avita US applies for quotation of new Avita US Shares issued into the Australian market on a monthly basis, and Avita US provides to the market in a form acceptable to ASX a monthly update of the net changes in the number of Avita US Shares over which Avita US CDIs are issued; and
  - (ii) Avita US releases details of this waiver to the market as pre-quotation disclosure.
- (b) ASX Listing Rule 1.1 Condition 8 - to the extent necessary to permit Avita US to be admitted to the official list of ASX without satisfying the spread requirements of that rule, on the condition that the Company was in compliance with ASX Listing Rule 12.4 at the time it ceased to trade on ASX.
- (c) ASX Listing Rule 1.1 Condition 9 - to the extent necessary to permit Avita US to be admitted to the official list of ASX without complying with either of ASX Listing Rules 1.2 or 1.3, on the condition that the Company was in compliance with ASX Listing Rules 12.1 and 12.2 at the time it ceased to trade on ASX.
- (d) ASX Listing Rule 1.1 Condition 12 - to the extent necessary to allow Avita US to have options, warrants and restricted stock units on issue with an exercise price less than \$0.20.
- (e) ASX Listing Rule 1.4.1 - to the extent necessary to permit the Information Memorandum not to state that it contains all the information required under section 710 of the Corporations Act, subject to the following conditions:
  - (i) the Information Memorandum incorporates the Scheme Booklet;
  - (ii) Avita US releases all of the documents incorporated into the Scheme Booklet by reference to the market as pre-quotation disclosure; and
  - (iii) Avita US provides a statement to the market that the Company has confirmed to Avita US that it was in compliance with ASX Listing Rule 3.1 at the time that the Company ceased trading on ASX.
- (f) ASX Listing Rule 1.4.4 - to the extent necessary to permit Avita US to issue the Information Memorandum dated on or about the date at which the Court makes orders to convene the Scheme Meeting to approve the Scheme.
- (g) ASX Listing Rule 1.4.7 - to the extent necessary to permit the Information Memorandum not to include a statement that Avita US has not raised any capital for the three months before the date of issue of the Information Memorandum and will not need to raise capital in the three months after the date of issue of the Information Memorandum.
- (h) ASX Listing Rule 1.4.8 - to the extent necessary to permit the Information Memorandum not to include a statement that a supplementary information memorandum will be issued if, following the issue of the Information Memorandum and the date Avita US's securities are quoted on ASX, Avita US becomes aware of any of the matters referred to in that rule, on the condition that the Company undertakes to release such information over the ASX Market Announcements platform. This undertaking is to be given and executed in the form of a deed no later than the date the Information Memorandum is released.

- (i) ASX Listing Rule 2.4 - to the extent necessary to permit Avita US to apply for quotation only of those Avita US Shares issued into the Australian market (to be settled on ASX in the form of Avita US CDIs), subject to the following conditions:
  - (i) Avita US applies for quotation of Avita US Shares issued into the Australian market on a monthly basis, and Avita US provides to the market in a form acceptable to ASX a monthly update of the net changes in the number of Avita US Shares over which Avita US CDIs are issued; and
  - (ii) Avita US releases details of this waiver to the market as pre-quotation disclosure.
- (j) ASX Listing Rules 4.2A and 4.2B - to the extent necessary to permit Avita US to not be required to lodge an Appendix 4D - Half Year Report, subject to the following conditions:
  - (i) Avita US instead lodges with ASX the Form 10-Q it is required to lodge with the SEC in accordance with its obligations under the relevant US laws and in accordance with the SEC timetable (being within 45 days of the end of each of the first two quarters of each financial year);
  - (ii) Avita US also provides ASX a copy of the audit review report when it lodges its Form 10-Q for the second quarter of the financial year; and
  - (iii) Avita US also lodges with ASX a cover sheet under the heading "Results for announcement to the Market" which contains the information required by paragraph 2 of Appendix 4D at the same time that Avita US lodges the Form 10-Q with the SEC and ASX.
- (k) ASX Listing Rule 4.7B - to the extent necessary to permit Avita US to prepare its quarterly cash flow reports under the rules and regulations of the SEC (rather than as an Appendix 4C) and file them with ASX in accordance with the following:
  - (i) as a Form 10-Q in relation to the first, second and third quarter of each financial year of Avita US, within 45 days of the end of the relevant quarter; and
  - (ii) in lieu of the fourth quarter of each financial year of Avita US, Avita US lodges a Form 10-K within two months of the end of that quarter on the basis that under the rules and regulations of the SEC a Form 10-Q filing is not required for the fourth quarter.
- (l) ASX Listing Rule 6.10.3 - to the extent necessary to permit Avita US to comply with the laws of Delaware on security holders' rights to vote.
- (m) ASX Listing Rule 14.2.1 - to the extent necessary to permit Avita US not to provide in its proxy form an option for a holder of Avita US Shares or Avita US CDIs to vote against a resolution to elect a director or to appoint an auditor, on the following conditions:
  - (i) Avita US complies with relevant Delaware laws as to the content of proxy forms applicable to resolutions for the election or re-election of directors and the appointment of auditors;
  - (ii) the notice given by Avita US to Avita US Shareholders and Avita US CDI Holders under ASX Settlement Operation Rule 13.8.9 makes it clear that shareholders are only able to vote for the resolutions or abstain from voting, and the reasons why this is the case;
  - (iii) Avita US releases details of this waiver to the market as pre-quotation disclosure, and the terms of this waiver are set out in the management proxy circular provided to all Avita US CDI Holders; and
  - (iv) without limiting ASX's right to vary or revoke its decision under ASX Listing Rule 18.3, this waiver only applies for so long as the relevant Delaware laws prevent Avita US from permitting security holders to vote against a resolution to elect a director and to vote against a resolution to appoint an auditor.

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**FOR FURTHER INFORMATION:**

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