28159 Avenue Stanford, Suite 220 Valencia, CA 91355
T 833.462.8482 W avitamedical.com

23 February 2024

ASX Market Announcements Office
Australian Securities Exchange
Level 50, South Tower, Rialto
525 Collins Street
MELBOURNE VIC 3000

Dear Sir / Madam

ASX Appendix 4E (Preliminary Final Report) & Annual Report on Form 10-K

Please find attached the following documents:

- ASX Appendix 4E (Preliminary Final Report) for the year ended December 31, 2023
- Annual report on Form 10-K for the year ended December 31, 2023 ("Annual Report")

The Annual Report is prepared in accordance with U.S. Generally Accepted Accounting Principles (US GAAP) and is reported on Form 10-K.

Authorized by

James Corbett
Chief Executive Officer

Appendix 4E

Preliminary Final Report

31 December 2023

AVITA MEDICAL, INC.

ARBN 641 288 155

Results for announcement to the market

(In thousands, except net tangible asset backing per ordinary security)	Movement	Year ended 31 December 2023	Year ended 31 December 2022
Financial Results		**USD**	**USD**
Sale of goods	Up 46%	50,143	34,421
Other income	Up 141%	9,843	4,107
Loss for the period attributable to owners of the parent	Up 33%	35,449	26,665
Total comprehensive loss attributable to owners of the parent	Up 66%	44,895	27,098

Record date for determining entitlements to dividends	N/A – no dividends are proposed to be paid

Net Tangible Asset Backing	**Year ended 31 December 2023**	**Year ended 31 December 2022**
Net tangible asset backing per common stock outstanding	$1.82	$3.47

- **Annual financial results:**
  This report is based on the accompanying consolidated Financial Statements for the year ended December 31, 2023 which have been audited by Grant Thornton LLP with the Report of Independent Registered Public Accounting Firm included in the 2023 Financial Statements. In this report, all references to "dollars" or "$" are to the currency of the United States.

- **Changes in control over entities:**
  There were no entities over which AVITA Medical, Inc.'s ("**Company**") control has been gained or lost during the year ended December 31, 2023.

- **Details of dividends and dividend reinvestment plans:**
  No dividends have been declared or proposed.

- **Details of associates or joint ventures:**
  N/A

- **Set of accounting standards used in compiling the report:**
  The audited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (US GAAP) and are denominated in U.S. dollars.

- **Details of audit disputes or audit qualification:**
  None.

Results of Operations:

Revenue increased 46% to $50.1 million, compared to $34.4 million in the corresponding period in the prior year. RECELL® commercial revenues were $49.8 million, while RECELL revenues associated with U.S. Department of Health and Human Services' Biomedical Advanced Research and Development Authority within the Office of the Assistant Secretary for Preparedness and Response ("**BARDA**") were $0.4 million. Revenues associated with BARDA were attributable to our services over the vendor managed inventory for RECELL units purchased in the prior year.

Gross profit margin was 84% and 2% higher compared to the corresponding period in the prior year.

Total operating expenses increased 46% to $86.5 million, compared to $59.1 million in the corresponding period in the prior year. The increase in operating expenses was primarily driven by higher salaries and benefits, higher deferred compensation expense, higher stock-based compensation, higher severance costs, higher clinical trial costs, higher commissions, recruitment fees and travel costs. The increase in salaries and benefits and recruitment fees is due to the preparation of the commercial launch of full-thickness skin defects in June 2023. Higher commissions and travel costs were directly associated with the increase in revenues. The increase in deferred compensation expense is driven by our deferred compensation liability which generally tracks the movements in the stock market. Severance costs in the current year were due to the termination of three former executive officers, partially offset by the termination of a former executive officer in the prior year. Higher clinical trial costs were driven by the TONE study as well as other research and development costs associated with furthering our pipeline, and the development of the next generation RECELL GO for preparation of Spray-On Skin Cells, which resulted in a PMA submission in June 2023. We also had increased expenses associated with building out a team of Medical Science Liaisons in support of the new full-thickness skin defects indication.

Net loss increased 33%, or $8.7 million to $35.4 million compared to the $26.7 million recognized in the corresponding period in the prior year. The increase in net loss was driven by higher operating expenses as described above, partially offset by higher revenue.

Update on the Company's Cash Position:

The Company had approximately $22.1 million in cash and cash equivalents and $66.9 million in marketable securities at December 31, 2023, compared to $18.2 million of cash and cash equivalents and $61.2 million in marketable securities at December 31, 2022.

Net cash used in operating activities was $38.0 million during the year-ended December 31, 2023, and $19.1 million during the year-ended December 31, 2022. The increase primarily resulted from higher operating costs, partially offset by increased revenues.

Net cash provided by investing activities was $1.6 million during the year-ended December 31, 2023 and cash used by investing activities was $19.3 million during the year-ended December 31, 2022. Cash flows provided by investing activities during the year ended December 31, 2023 were primarily attributable to maturities of marketable securities. Cash flows used in investing activities for the year-ended December 31, 2022 were primarily attributable to purchase of marketable securities.

Net cash provided by financing activities was $40.4 million and $0.9 million for the year-ended December 31, 2023 and 2022 respectively. The increase in cash provided by financing activities was due to the issuance debt.

Liquidity and Capital Resources:

Overview

We expect to utilize cash reserves until U.S. sales of our products reach a level sufficient to fund ongoing operations. AVITA Medical has historically funded its research and development activities, and more recently its substantial investment in sales and marketing activities, through raising capital by issuing securities, and it is expected that similar funding will be obtained to provide working capital if and when required. As of December 31, 2023, the Company had approximately $22.1 million in cash and cash equivalents and $66.9 million in marketable securities and believes it has sufficient cash reserves to fund operations for the next 12-months. If the Company is unable to raise capital in the future, the Company may need to curtail expenditures by scaling back certain research and development or other programs.

Capital Management and Material Cash Requirements

We aim to manage capital so that the Company continues as a going concern while also maintaining optimal returns to stockholders and benefits for other stakeholders. We also aim to maintain a capital structure that ensures the lowest cost of capital available to the Company. We regularly review the Company's capital structure and seek to take advantage of available opportunities to improve outcomes for the Company and its stockholders.

For the annual period ended December 31, 2023, there were no dividends paid and we have no plans to commence the payment of dividends. We have no purchase commitments or long-term contractual obligations or purchase commitments, except for lease obligations as of December 31, 2023. Refer to Footnote 7 of the Financial Statements for further details on our lease obligations. In addition, we have no off-balance sheet arrangements (as defined in the rules and regulations of the SEC) that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. We have no committed plans to issue further shares on the market but will continue to assess market conditions and the Company's cash flow requirements to ensure the Company is appropriately funded in order to pursue its various opportunities.

On October 18, 2023 ("Closing Date") the Company entered into a Credit Agreement, by and between the Company, as borrower, and an affiliate of OrbiMed as the lender and administrative agent (the "Lender"). The Credit Agreement provides for a five-year senior secured credit facility in an aggregate principal amount of up to $90.0 million, of which (i) $40.0 million was made available on the Closing Date, (ii) $25.0 million will be made available, at the Company's discretion, on or prior to December 31, 2024, subject to certain net revenue requirements, and (iii) $25.0 million will be made available, at the Company's discretion, on or prior to June 30, 2025, subject to certain net revenue requirements. The maturity date of the agreement is October 18, 2028. On the Closing date, the Company closed on the Initial Commitment Amount of $40.0 million, less certain fees and expenses payable to or on behalf of the Lender. The Company received net proceeds of $38.8 million upon closing after deducting the Lender's transaction costs in connection with the issuance. Company is required to maintain at least $10.0 million of unrestricted cash and cash equivalents.

Please refer to our audited consolidated financial statements with accompanying notes, which are attached hereto.

Additional information

Additional Appendix 4E disclosure requirements and commentary on these results are contained in the attached Form 10-K Annual Report for the year ended December 31, 2023.

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-39059

AVITA MEDICAL, INC.

(Exact name of registrant as specified in its charter)

Delaware	**85-1021707**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

28159 Avenue Stanford
Suite 220
Valencia, CA 91355
(Address of principal executive offices and Zip Code)

Registrant's telephone number, including area code: (661) 367-9170

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol**	**Name of each exchange on which registered**
Common Stock, par value $0.0001 per share	**RCEL**	**Nasdaq Capital Market**

Securities registered pursuant to section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☒		

If an emerging growth company, indicate by check mark if the registrant has selected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and nonvoting common equity held by non-affiliates of the registrant was approximately $431,861,022 on June 30, 2023, using the closing price on that day of $17.01.

The number of shares of the registrant's $0.0001 par value common stock outstanding as of February 7, 2024 was 25,706,662**.**

DOCUMENTS INCORPORATED BY REFERENCE

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) Any annual report to security holders; (2) Any proxy or information statement; and (3) Any prospectus filed pursuant to Rule 424(b) or (c) under the Securities Act of 1933. The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended December 24, 1980)

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (this "Annual Report") and our other public filings contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements give expectations or forecasts of future events. Forward-looking statements can sometimes, but not always, be identified by words such as "believe," "expect," "anticipate," "contemplate," "continue," "estimate," "goal," "guidance," "forecast," "look forward," "outlook," "predict," "project," "plan," "should," "target," "intend," "may," "will," "would," "potential" and similar expressions to future periods. Forward-looking statements are not based on historical facts but rather represent current expectations and assumptions. Factors that may influence or contribute to the inaccuracy of the forward-looking statements or cause actual results to differ materially from expected or desired results may include, without limitation: future revenues; solvency; industry market conditions; increased competition; changes in our production capacity; failure to obtain, maintain and enforce our intellectual property rights; failure to obtain and/or maintain regulatory approvals and comply with applicable regulations;; the conduct or outcome of pre-clinical or clinical (human) studies; operational and management restructuring activities; our ability to find and maintain partnerships relating to collaborations, strategic arrangements and licensing arrangements; our ability to expand our sales organization to address effectively existing and new markets that we intend to target; our ability to attract and retain qualified personnel, including management; tax and interest rates; inflation, recession, financial market disruptions and other economic conditions; productivity, business process, rationalization, investment, acquisition and acquisition integrations, consulting, operational, tax, financial and capital projects and initiatives; changes in the legal or regulatory environment; the impact of a cybersecurity breach, terrorist attack, pandemic or epidemic, or natural disaster; and future working capital, costs, revenues, business opportunities, cash flows, margins, earnings and growth.

Forward-looking statements relate to the future and are subject to many risks, assumptions and uncertainties, including those risks set forth in this Annual Report in Part I, Item IA Risk Factors and elsewhere. Although we believe the expectations reflected in the forward-looking statements are reasonable, actual results, developments and business decisions could differ materially from those contemplated by such forward-looking statements. The environment in which we operate is highly competitive, highly regulated and rapidly changing and it is not possible for our management to predict all risks, as new risks emerge from time to time.

All subsequent written and oral forward-looking statements by or attributable to us or persons acting on our behalf are expressly qualified in their entirety by these factors. We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future developments or otherwise, except as may be required by law.

As used herein, unless the context otherwise requires, references to "we," "our," "us," "the Company," and "AVITA Medical" refer to AVITA Medical, Inc., a Delaware corporation, and its subsidiaries (including AVITA Medical Pty Limited ("AVITA Australia").

Currency

In this Annual Report, all references to "dollars" or "$" are to the currency of the United States.

PART I

Item 1. BUSINESS

OVERVIEW

AVITA Medical is a commercial-stage regenerative medicine company transforming the standard of care in wound care management and skin restoration with innovative devices. At the forefront of our portfolio is our patented and proprietary RECELL® System ("RECELL System" or "RECELL"), approved by the United States Food & Drug Administration ("FDA") for the treatment of thermal burn wounds and full-thickness skin defects, and for repigmentation of stable depigmented vitiligo lesions. RECELL harnesses the regenerative properties of a patient's own skin to create an autologous skin cell suspension, Spray-On Skin™ Cells, delivering a transformative solution at the point of care. This breakthrough technology serves as the catalyst for a new treatment paradigm enabling improved clinical outcomes.

CORPORATE HISTORY

AVITA Australia, the former parent company of AVITA Medical, was founded in December 1992. AVITA Australia began trading its American Depositary Shares on the Nasdaq Capital Market ("Nasdaq") under the symbol "RCEL" on October 1, 2019. Today, our common stock trades on the Nasdaq under the symbol "RCEL" and our CHESS Depositary Interests ("CDIs") are traded on the ASX under the symbol "AVH."

STRATEGY

AVITA Medical is focused on becoming the leading provider of regenerative medicine addressing unmet medical needs in burn injuries, full-thickness skin defects, and in skin repigmentation, such as vitiligo. We will continue to drive commercial revenue growth to generate positive cash flow and achieve operating profit. To achieve these objectives, we intend to:

- Become the standard of care in the U.S. burns industry by increasing RECELL penetration and adoption in burn centers
- Expand into U.S. trauma centers to increase utilization of RECELL for the treatment of full-thickness skin defects
- Launch RECELL GO™ following FDA approval to increase market adoption and expand our customer base
- Expand our global presence within the European Union and Australia through the exclusive use of third-party distributors
- Continue to build upon commercial activities in Japan through our partnership with COSMOTEC Company, Ltd ("COSMOTEC") with our current Pharmaceuticals and Medical Devices Act ("PMDA") approval for RECELL with an indication in burns
- Continue to pursue business development opportunities that are complementary to our core RECELL System indications and/or our targeted markets, such as the agreement with Stedical Scientific, Inc. Refer to Footnote 20 for further details
- Establish commercial payor coverage for the RECELL System in the U.S. for the treatment of vitiligo lesions; initial phase of coverage expected during the fourth quarter of 2025

PRODUCT PORTFOLIO

RECELL Platform

RECELL is a single use, stand-alone, battery operated, autologous cell harvesting device containing enzymatic and buffer solutions, sterile surgical instruments, and actuators. RECELL is FDA approved for the treatment of thermal burn wounds and full-thickness skin defects, and for repigmentation of stable depigmented vitiligo lesions. The platform technology of the RECELL System enables a thin split-thickness skin sample from the patient to be processed and prepared, producing an autologous cellular suspension called Spray-On Skin Cells. These Spray-On Skin Cells are prepared at the point of care in as little as 30 minutes, providing a new way to treat thermal burn wounds and full-thickness skin defects.

The regenerative skin cell suspension includes the patient's own skin cells, including keratinocytes, fibroblasts, and melanocytes, all of which play critical roles in skin regeneration. The application of these cells stimulates healing and repigmentation throughout the wound bed. The patented and proprietary platform technology underlying the Spray-On Skin Cell suspension originated in Australia, based on the seminal work of Professor Fiona Wood and fellow scientist Marie Stoner. In September 2018, the FDA approved RECELL as a Class 3 device through a premarket approval ("PMA") for the treatment of second and third-degree

acute thermal burn injuries in patients 18 years and older. Following receipt of our original PMA, we commenced commercialization of the RECELL System in January 2019 in the United States.

In June 2021, the FDA approved expanded use of RECELL in combination of meshed autografting for acute full-thickness thermal wounds in both pediatric and adult patients, and for full-thickness thermal burns greater than 50% total body surface area ("TBSA"). As a result of having achieved an expanded indication for use in pediatric burns, the Biomedical Advanced Research and Development Authority ("BARDA") funded U.S. Pediatric Burns trial has been closed to new enrollment.

In February 2022, the FDA approved a PMA supplement for the RECELL Autologous Cell Harvesting Device, an enhanced ease-of-use device aimed at providing clinicians a more efficient user experience and streamlined workflow.

On June 7, 2023, the FDA approved a PMA supplement for full-thickness skin defects based on results from our pivotal trial for soft tissue repair and reconstruction. Following this approval, we commenced a commercial launch on June 8, 2023.

On June 16 2023, the FDA approved a PMA application for the repigmentation of stable depigmented vitiligo lesions. Following FDA approval, the Company established a three-step framework to secure reimbursement. The first step is a post-market study called, TONE. TONE will evaluate repigmentation using the RECELL device and will also seek to measure the improvement in the quality-of life following treatment of stable vitiligo with RECELL. We expect to submit the study for publication by the end of 2024.The second step is to capture the longitudinal healthcare costs for a vitiligo patient through a health economics, which is also expected to be submitted for publication by the end of 2024. Following publication of both studies, it is expected that conversations with commercial payors will begin during the second quarter of 2025. Subsequently, we anticipate commercial coverage will be rolled out on a regional basis, considering state and geographic factors. The initial phase of coverage is likely to begin in the fourth quarter of 2025, with appropriately sized commercial support as coverage is established.

Additionally, on June 29, 2023, we submitted a PMA supplement to the FDA for RECELL GO™. RECELL GO maintains the FDA Breakthrough Device designation from predecessor devices. On September 29, 2023, the Company received notice from the FDA that additional information regarding the PMA supplement is required for the continuation of a substantive review for RECELL GO. This request, which is not unique to the Breakthrough Device Program, placed the application file on hold while the Company addresses the FDA's questions. A category of questions posed by the FDA requires additional in-house testing, which is substantially completed. Consequently, we expect to submit a response to the FDA no later than February 28, 2024. Upon the submission to the FDA, the application will reenter the 180-day cycle, with 90 days remaining in the review period. This timing would imply FDA approval on May 30, 2024, with a product launch on May 31, 2024.

TARGET MARKETS

Burns

Acute thermal burns are life-threatening and debilitating injuries that are among the most challenging and expensive to manage. These injuries require complex surgical procedures, long and costly hospitalization, and have a high potential for clinical complications and requirement for rehabilitation and scar treatment. In the U.S., approximately 40,000 people have burn injuries severe enough to require hospital admission annually, and it is estimated that 3,300 patients die each year. The majority of patients treated on an inpatient basis in the U.S. are treated in specialized burn centers.

Severe burns (typically defined as second- and third-degree) are commonly treated with autologous split-thickness skin grafts ("STSGs") to achieve definitive closure of the burn wound. In a STSG, or autograft, donor skin is harvested from a healthy area of the patient's skin. The donor skin is then typically perforated into a mesh that can be expanded and transferred to cover the prepared burn injury. Treatment with STSG results in additional trauma for the patient due to creation of a new donor site wound. Although the use of STSG has been a standard treatment for more than 50 years, autografting is associated with significant pain, itching, infection, dyschromia, dyspigmentation, delayed healing, and hypertrophic scarring of the donor site.

The clinical benefits of earlier wound closure are well recognized and include increased survival, reduced hospital length of stay, decreased pain duration, and reduced infection-related complications. However, in large burn injuries, the patient may have insufficient donor skin available to allow for immediate and complete treatment of the entire burn injury area when using traditional grafting techniques. The lack of available healthy donor skin in patients with large burn injuries is often the central problem impacting time to autografting and definitive closure of the wounds. In extensively burned patients, surgeons often must wait until the donor sites have healed so they can re-harvest from the sites, resulting in delays in treatment and closure, requiring multiple procedures, and extending hospital stay. While waiting for donor skin, the burn wounds may be temporarily covered by allogeneic skin (allograft, cadaver skin) or xenograft (typically pig skin). The overall cost of treatment with STSG is expensive - for example it would cost

approximately $579,000 and 59.4 days in hospital for a patient with a 40% TBSA mixed-depth burn injury to recover and return to normal day to day activities.

The pivotal studies leading to the RECELL System's FDA PMA for the treatment of acute thermal burns demonstrated that the RECELL System treated burns used 97.5% less donor skin when used alone in second-degree burns, and 32% less donor skin when used with autograft for third-degree burns, compared to standard of care autografting. In these studies, a statistically significant reduction in donor skin required to treat burn patients with the RECELL System was realized without any associated compromise to healing or safety outcomes. Donor site outcomes from the clinical trial for second-degree burns also revealed a statistically significant reduction in patient-reported pain, increased patient satisfaction and improved scar outcomes.

Retrospective studies demonstrated that fewer autografting procedures are required for definitive closure of full-thickness burns when using the RECELL System versus conventional autografts. In pediatric cases (N = 284), treatment with the RECELL System resulted in a 56% reduction in the mean number of autograft procedures required compared to National Burn Repository (**"**NBR**"**) data. Additionally, in adult patients with greater than 50% TBSA (N=318), the RECELL System resulted in a 60% reduction in the mean number of autograft procedures versus NBR data.

In addition to robust clinical data, RECELL has proven health economic benefits and a compelling cost-effectiveness model which shows that treatment using the RECELL System for deep partial-thickness burns reduces total treatment costs by an average of 26%, or approximately $37,000, for patients with 10% TBSA and approximately $150,000, for patients with 40% TBSA. For full-thickness burns, treatment using the RECELL System reduced total treatment cost by 3%, or approximately $6,000 for patients with 10% TBSA and by 42% or approximately $243,000, for patients with 40% TBSA. These cost reductions are attributed to decreasing the length of hospital stay, reducing the number of procedures required to close the burn wound, and minimizing the donor site size and associated wound care. All of these cost savings estimates are net of the cost of the RECELL System.

A budget impact model was developed and has been used to calculate the annual budget impact of current standard of care for the treatment of burns versus treatment using the RECELL System for a burn center with 200 patients. The model shows that treatment using the RECELL System reduces annual total treatment costs from approximately $39.4 million to $32.6 million, saving 17% or approximately $6.8 million per year. In addition, real world evidence has been published by the Doctors at IQVIA and funded by the Company and BARDA indicating that these economic savings are demonstrated in a wide range of burn sizes.

The market for the treatment of burns in the U.S. is highly concentrated, with approximately 140 burn centers and approximately 300 burn surgeons who treat the majority of severe burn patients in the country (i.e., ~75%). Accordingly, our target market was predominantly burn centers, of which half are trauma centers. With FDA approval for full-thickness skin defects, we are expanding into these trauma centers, with the goal of capturing approximately 30% of RECELL-eligible burn injuries that are treated outside of dedicated burn centers.

Looking ahead, our goal is to establish RECELL as the standard of care for any burn injury that requires grafting for patients with 5% TBSA injury or greater. In the U.S., we estimate that there are approximately 35,000 patients annually that could benefit from our technology. Each RECELL System can treat up to 10% TBSA, and many patients require more than one device.

AVITA Medical has a policy of providing the RECELL System to a provider only after they have been certified, which includes extensive training in the use of the product and in the aftercare of the patient. In general, we have found that most U.S. burn centers follow the industry-standard process of evaluating the RECELL System and then taking it through their hospital's Value Analysis Committee ("VAC") prior to purchasing. In general, most surgeons follow a typical adoption curve, starting from where they see the greatest economic and clinical value, which is the use of RECELL for treatment of larger burns. With time and continued use, surgeons typically progress to adoption of RECELL for smaller, less severe burns and facial burns.

In the U.S., several existing reimbursement codes were in place prior to the commencement of commercial sales of the RECELL System. For inpatient treatment of burn patients, U.S. hospitals are reimbursed under Diagnosis Related Group ("DRG") Codes based on diagnosis of a patient's injuries. For physicians, Current Procedural Terminology ("CPT") codes for use in RECELL System procedures are recommended by the American Burn Association and are the same for both inpatient and outpatient use. In August 2020, we filed a Transitional Pass-through Payment Application ("TPT") with The Centers for Medicare & Medicaid Services ("CMS") to support a separate, additional Medicare payment for use of the RECELL System in the Outpatient Setting. On November 3, 2021, the Company was informed that CMS approved our TPT submission with the code effective as of January 1, 2022. The new "C" code provides additional payment which offsets the cost of the device in hospital outpatient facilities and ambulatory surgical centers for Medicare beneficiaries over a 2-to-3-year period before converting to a permanent code. Following the granting of the code, the Company is working with commercial carriers to ensure broader coverage. The new "C" code is not indication specific and lays the foundation for growth in other indications outside of acute thermal burns (such as soft tissue repair).

Full-Thickness Skin Defects

A wound is a breach in the integrity of the skin, with full-thickness wounds extending through the dermal layer to deeper tissues. Full-thickness skin defects include traumatic avulsion (e.g. degloving), surgical excision (e.g. necrotizing soft tissue infection), or resection (e.g., skin cancer). The cause or origin of the wound directly impacts healing potential, response to treatment options, and likely complications.

Traumatic Wounds. Traumatic wounds are subdivided by mechanism of injury into lacerations, abrasions, avulsions, crush, penetrating, or bites. Traumatic wounds often arise in high-energy circumstances and result in extensive zones of injury with damage to multiple tissue types. Missing cutaneous tissue, macerated edges, and contamination are common and can complicate wound healing. In the U.S., we estimate there are approximately 122,000 annual procedures that are eligible for treatment with RECELL.

Surgical Wounds. Surgical wounds are precise incisions intentionally created to access underlying organs, relieve compartmental pressure, excise diseased cutaneous tissue (infected or severely inflamed or necrotic), or to harvest tissue for autografting (flaps and grafts). In the U.S., we estimate there are approximately 12,500 annual procedures that are eligible for treatment with RECELL.

Surgical Excisions for Cancer. Surgical excisions for cancer are procedures used to remove and treat various skin cancers. In the U.S., we estimate there are approximately 136,000 annual procedures that are eligible for treatment with RECELL.

Chronic Wounds. Chronic wounds are wounds that do not heal within an expected time frame. These types of wounds include diabetic foot ulcers, venous leg ulcers, pressure ulcers, and non-pressure ulcers. In the U.S., we estimate there are approximately 128,000 annual procedures that are eligible for treatment with RECELL.

Similar to the burns indication, full-thickness skin defects are associated with large areas of skin loss and as such, some of the top unmet needs identified by surgeons are closely aligned:

- Reduced donor skin harvesting
- Reduced scarring
- Reduced pain
- Uniform pigmentation with surrounding skin

Given the interest to reduce donor skin harvesting, just as with the burns indication, we designed a clinical trial to demonstrate the use of less donor skin without compromising healing outcomes relative to conventional autografting. The trial was essentially a repeat of the successful previous trial in full-thickness burns, but with a population of patients with full-thickness, non-burn injuries. The study design included two co-primary endpoints based on pairwise comparisons where each subject received both RECELL treatment and standard of care treatment: one endpoint had a hypothesis of superiority for donor skin sparing and the other co-primary endpoint had a hypothesis of non-inferiority for healing. Both co-primary endpoints were met, demonstrating statistically significant donor sparing and non-inferior healing outcomes with RECELL versus standard of care, meaning less skin from the patient is required to repair and close the wound without compromising the healing outcomes relative to convention autografting. In addition to these results, RECELL has been successfully used outside the U.S. for many years and there exist several case reports on the treatment of traumatic injuries that have been the subject of peer-reviewed scientific publications and presentations at medical conferences.

In the U.S., we estimate that there are approximately 400,000 full-thickness skin defect procedures annually that are eligible for treatment with RECELL. The majority of our current burn accounts represent opportunities for use of RECELL in the treatment of full-thickness skin defects. In the second quarter of 2023, we expanded our commercial organization from 30 to 70. Our team is targeting approximately 800 acute wound accounts, representing both burn and trauma accounts. In the first half of 2024, we plan to further expand our commercial organization from 70 to 100.

The approval for the treatment of full-thickness skin defects represents a significant opportunity in which we are leveraging our existing resources while also creating synergies with the burns market. Approximately 50% of the U.S. burn centers are classified as trauma centers. Those trauma centers currently utilizing RECELL are now able to use RECELL to treat full-thickness skin defects as these centers have already approved RECELL through their respective VACs. Further, we are expanding our burn market opportunity by virtue of our approval for full-thickness skin defects as we are extending our reach to include trauma centers.

We anticipate RECELL being used in both the inpatient & outpatient settings across a wide range of wound sizes. From a reimbursement perspective, the same DRG code that is currently being used to treat inpatient burns is now being applied for the treatment of full-thickness skin defects. Additionally, the outpatient TPT "C" code we have been granted for RECELL can also be utilized for the treatment of full-thickness skin defects in the outpatient setting.

Vitiligo

Vitiligo is a disease that causes the loss of skin pigmentation, or color, in patches. The extent of color loss from vitiligo is unpredictable, can affect the skin on any part of the body, and may also affect hair and the inside of the mouth. Vitiligo occurs when melanocytes, the pigment-producing skin cells, die or stop producing melanin, the pigment that gives skin, hair, and eyes color. Vitiligo is believed to be an autoimmune disorder in which a patient's immune system attacks and destroys the melanocytes in the skin. It may also be caused by heredity factors or a triggering event, such as sunburn, stress, or exposure to industrial chemicals. Vitiligo affects people of all skin types, but it may be more noticeable in people with darker skin. It is estimated that worldwide vitiligo prevalence is between 0.5 to 2% of the population. The condition is not life-threatening or physically painful, but it can significantly alter physical appearance and have negative emotional and psychological consequences, thus causing a cascade of medical conditions with associated costs.

Vitiligo cannot be cured at present, and treatments generally fall into one of two categories:

1. Treatments to arrest the spread of vitiligo, such as steroid creams and non-steroidal anti-inflammatory creams. There are also a number of therapies under development designed to target the underlying autoimmune disease. One challenge in terms of achieving the desired patient outcome is that stopping the spread of vitiligo may not restore pigmentation to the areas already damaged.
2. Treatments to restore pigmentation include skin grafting, laser phototherapy (with and without topicals), and Melanocyte-Keratinocyte Transplantation Procedure ("MKTP"). MKTP requires expensive and substantial laboratory equipment and is currently only available in a handful of locations in the U.S.

RECELL does not treat underlying autoimmune disease. Rather, it works to restore pigmentation.

According to the FDA panel in 2021, there is a high level of depression, anxiety, and negative quality of life among vitiligo patients. Interest in vitiligo treatment tends to increase in individuals who have lesions in more visible areas (such as the face, neck and hands) as well as the younger female population. In 2022, over 400,000 patients pursued treatment for vitiligo in the U.S. We estimate that there are approximately 1.3 million people in the U.S. with stable vitiligo and a total addressable market of approximately $5 billion. Vitiligo rates a 7.61 on the Dermatology Life Quality Index ("DLQI"), which is in the same range of other aesthetic dermatological disease analogs which receive healthy positive reimbursement such as Rosacea (5.2), Psoriasis (9.3) and Atopic Dermatitis (12.79).

The market is expected to grow, especially over the next decade, with the advent of novel treatment options including oral and topical Janus Kinase ("JAK") inhibitors, such as Opzelura. Although these new products will both stabilize and re-pigment some patients, it is anticipated that many patients will need additional modes of treatment for re-pigmentation. Products (immunosuppressants) working to stabilize vitiligo and RECELL (working to restore pigmentation) are complementary. Further, large pharmaceutical companies with immunosuppressant assets in development will likely invest in disease awareness campaigns which will further grow consumer awareness and the market.

Following FDA approval, we established a three-step framework to secure reimbursement. The first step is a post-market study called, TONE. The second step is to initiate a health economics study to capture the longitudinal healthcare costs for a vitiligo patient. We expect to submit these two studies for publication by the end of 2024. Following publication of these studies, we plan to start conversations with commercial payors during the second quarter of 2025. Consequently, we anticipate commercial coverage will be rolled out on a regional basis, considering state and geographic factors. The initial phase of coverage is likely to begin in the fourth quarter of 2025, with appropriately sized commercial support as coverage is established.

INTERNATIONAL STRATEGY

In international markets, the RECELL System has received various approvals and registrations to promote skin healing in a wide range of applications including, burns, full-thickness skin defects, and vitiligo. These endorsements include TGA registration in Australia, CE mark approval in Europe, and PMDA approval in Japan under the Pharmaceuticals and Medical Devices Act for burns. Our global commercialization strategy is focused on Australia, the European Union, and Japan.

In February 2019, we entered into a partnership with COSMOTEC, an M3 Group company, to market and distribute the RECELL System in Japan. Following the approval of reimbursement pricing by the Japanese Ministry of Health, Labor, and Welfare, COSMOTEC began the commercial launch of RECELL in September 2022.

As part of our strategic growth plans, we plan to expand our global presence within the European Union and Australia through the exclusive use of third-party distributors. In November 2023, we entered into our first European distribution partnership with PolyMedics Innovations GmbH. PolyMedics Innovations will lead our expansion into Germany, Austria, and Switzerland.

We plan to actively identify new distribution partners in our focused markets over the next 6 to 12 months.

RESEARCH & DEVELOPMENT

Our research and development activities are focused on advancing our innovative products and building a comprehensive portfolio of solutions, as well as developing clinical applications to advance the management of wound care. Additionally, we continue to conduct clinical studies to provide further efficacy and health economic evidence.

We continue to commit resources to product development to ensure the RECELL system continues to evolve and that we maintain robust patent protection. In June 2023, we submitted a PMA supplement to the FDA for RECELL GO™. RECELL GO is comprised of a reusable durable base unit and a single-use sterile cartridge. The RECELL GO system aims to control the current manual process of cell disaggregation and filtration, as well as soak time, reducing variability across medical providers compared to the current device. This revolutionary design will also reduce training requirements, allowing us to leverage our sales team more effectively. In turn, we believe the reduction in training medical professionals will lead to increased adoption across our indications and the broader market. Additionally, RECELL GO offers us an opportunity to expand our intellectual property portfolio. With each iteration of our RECELL System, we anticipate preservation of the therapeutic power of Spray-on Skin Cells, deployed in devices that become appropriate for use in an increasing range of clinical settings. This is particularly important as we aim to enter the dermatology space, where there is a shift toward an emphasis on the volume of patients treated in a day.

RECELL GO maintains the FDA Breakthrough Device designation from predecessor devices. On September 29, 2023, we received notice from the FDA that additional information regarding the PMA supplement is required for the continuation of a substantive review for RECELL GO. This request, which is not unique to the Breakthrough Device Program, placed the application file on hold while we address the FDA's questions. A category of questions posed by the FDA requires additional in-house testing. The testing is already underway and we expect to submit a response to the FDA no later than February 28, 2024. Upon submitting a response to the FDA, the application will reenter the 180-day cycle, with 90 days remaining in the review period. This timing would imply a product launch on May 31, 2024.

TONE will evaluate repigmentation using the RECELL device and will also seek to measure the improvement in the quality-of life following treatment of stable vitiligo with RECELL. TONE, including publication, is expected to be complete by the end of 2024. The second step is to initiate a health economics study to capture the longitudinal healthcare costs for a vitiligo patient, which is expected to be completed by the end of 2024. The purpose of these studies is to demonstrate how treating vitiligo with RECELL can significantly reduce the lifetime healthcare cost of patients. As a result, commercial payors will stand to benefit economically by providing coverage of RECELL for the repigmentation of stable depigmented vitiligo lesions. Following publication of these studies, we expect conversations with commercial payors to begin during the second quarter of 2025. Commercial coverage will be rolled out on a tiered basis based on state and geographic factors. The Company anticipates that the initial phase of reimbursement coverage will likely begin in the fourth quarter of 2025, with appropriately sized commercial support as coverage is established.

SALES AND MARKETING

Our commercial organization is focused on clinical case support, staff training, and building awareness to further expand interest in the clinical and economic benefits of RECELL. It is not uncommon in the treatment of wounds to have rotating staff and it is our commitment for all those working with RECELL to be comfortable with the technology both during the procedure as well as during aftercare.

We sell RECELL in the U.S. through our direct commercial organization of 70 individuals, which consists of 10 managers, 40 regenerative tissue specialists, and 20 clinical training specialists. Our commercial organization is composed of highly experienced medical sales representatives as well as former burn and trauma nurses. This organization covers both thermal and non-thermal wound accounts. We plan to further expand our commercial organization to 108 in the first half of 2024.

HUMAN CAPITAL

AVITA Medical's investment in the U.S. commercial success of RECELL has led to the development of best-in-class teams supporting sales, clinical education and training, reimbursement, medical affairs, as well as corporate management and infrastructure. As of December 31, 2023, we had 207 full-time and part-time employees. As of December 31, 2023, 99% of our workforce was based in the United States, with a significant number of our management and professional employees having prior experience with leading medical product, biotech, or pharmaceutical companies. None of our employees are covered by collective bargaining agreements.

We embrace differences, diversity and varying perspectives amongst our employee base and are proud to be an equal opportunity employer. We do not discriminate based on race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, military or veteran status, sexual orientation or any other protected characteristic established by federal, state, or local laws. A diverse workforce as well as an inclusive culture and work environment are fundamentally important and strategic to us, beginning with our Board of Directors and CEO and extending to all levels of the Company. As of December 31, 2023, the Directors of the Company were 28.5% female, our senior executive team was 30% female and our total employee base was 50.2% female. In addition to promoting gender diversity, we encourage ethnically diverse talent when recruiting as well as providing employee training and development focusing on workplace diversity and inclusion.

INTELLECTUAL PROPERTY

We seek to protect our intellectual property, core technologies, and other know-how through a combination of patents, trademarks, trade secrets, confidentiality agreements, licenses, and IP assignments with our employees, consultants, business partners, suppliers, customers, and others. Additionally, we rely on our research and development program, clinical trials, know-how and marketing programs to advance our products and product candidates, and to expand our intellectual property rights.

As powerful complements to our IP rights, we also believe that the regulatory approval processes around the world will continue to provide additional and significant barriers to entry against meaningful competition.

As of December 31, 2023, AVITA Medical's patent portfolio comprised 22 patent grants and 31 pending patent applications worldwide, with patent coverage either secured or in progress in the U.S., China, Japan, Australia, Brazil, Canada, France, Germany, Hong Kong, Italy, Spain, the United Kingdom, and at the European Patent Office ("EPO").

AVITA Medical's patent portfolio covers the original RECELL product, all-in-one RECELL, RECELL GO, methods of using the RECELL System, methods of evaluating the therapeutic potential of Regenerative Epidermal Suspension ("RES"), a cell-free and allogeneic RES supernate, and methods of preparing a cell suspension with exogenous agents to promote wound healing. We expect that our research and development pipeline, strategic partnerships, and improvements to the RECELL System and RES will result in additional and diverse patent applications in the next calendar year.

In 2019, AVITA Medical filed a Patent Term Extension ("PTE") application with the U.S. Patent and Trademark for U.S. Patent No. 9,029,140, which covers the RECELL System, as a result of patent term lost to the FDA regulatory process. The PTE application was approved, and the patent term of U.S. Patent No. 9,029,140, has been extended to April 9, 2024. AVITA Medical's other patents have expected expiration dates ranging from 2032 to 2033, while AVITA Medical's pending patent applications, if granted, would have expiration dates ranging from 2032 to 2042.

Additionally, AVITA Medical owns and defends a global trademark portfolio comprising 142 registered trademarks, common or state law trademarks, and pending trademark applications, including "AVITA Medical," the AVITA Medical logo, "RECELL," "Spray-On Skin," the RECELL System logo, "RES," and others in the U.S. and international markets. In addition to patent and trademark protection, the Company also relies on trade secrets, know-how, and other proprietary information to develop and maintain our competitive position. We have robust confidentiality and invention disclosure procedures in place that incentivize our employees to innovate and allow us to maintain our rights to AVITA Medical innovations.

FACILITIES

AVITA Medical leases approximately 17,500 square feet of administrative and office space in Valencia, California that is currently leased through October 31, 2026. The Company operates an FDA-registered production plant in Ventura, California, in a 27,480 square foot facility that is currently leased through September 30, 2027. The Ventura facility has one 3-year option to extend the lease, at our sole option, which allows for a total lease extension period through September 30, 2030. The Company also has an administrative office lease in Irvine, California of approximately 10,700 square feet that is currently leased through the end of July

2028. We also lease a limited amount of incubator space in Irvine, California for scientific research and product development activities.

MANUFACTURING, SUPPLY AND PRODUCTION

We produce the RECELL System in the Ventura facility under current Good Manufacturing Practices ("cGMP") and per ISO 13485, which also meets the regulatory requirements of other jurisdictions in which we sell the RECELL System. We maintain a state of regulatory compliance and inspection readiness at all times, and any future material changes to our production processes for the RECELL System will be submitted for approval to the FDA and regulatory authorities in other jurisdictions as required.

Within the Ventura facility we perform the final manufacturing, assembly, packaging, and warehousing of the RECELL System. Also included within the Ventura facility is a secure controlled-temperature warehouse that complies with the vendor-managed inventory ("VMI") requirements of the contract with BARDA. The VMI contract with BARDA terminated on December 31, 2023.

AVITA Medical sources multiple components, sub-assemblies, and materials from third-party suppliers, who are required to meet our cGMP quality specifications and associated regulatory requirements. To ensure continuity of supply, we maintain multiple sources of supply for key components, subassemblies and materials, and the majority of critical raw materials and services have multiple qualified suppliers. While a small number of materials remain single sourced, we are actively working to qualify and validate additional suppliers for these materials as we continue to evaluate methods of removing risk from the supply chain for the RECELL System. We believe that our current manufacturing capacity at the Ventura facility is sufficient to meet the expected commercial demand for the RECELL System for burns, as well as other indications under development, for the foreseeable future.

AVITA Medical serves the U.S. burn market by shipping the RECELL System directly from our Ventura facility to U.S. burn centers. From time-to-time we may also store small quantities of the RECELL System at satellite distribution sites within the U.S. to better support access of the RECELL System to our U.S. customers.

BARDA CONTRACT

We have a contract with BARDA, under the Assistant Secretary for Preparedness and Response, within the U.S. Department of Health and Human Services. The contract provided funding for the development of the RECELL System. We entered into the contract on September 29, 2015, with the original contract period ending on December 31, 2023. We have executed a contract modification with BARDA to extend the period of performance to September 28, 2025.

Under the original contract, BARDA has provided funding and technical support for the development of the RECELL System. BARDA funded the completion of two randomized, controlled pivotal clinical trials, as well as Compassionate Use and Continued Access programs, and development of the health economic model demonstrating the cost savings associated with the RECELL System. BARDA exercised a contract option to fund a randomized, controlled clinical trial for a pediatric early intervention study which commenced enrollment in March 2020, and closed to enrollment in June 2021, subsequent to FDA-approval of an expanded RECELL indication for use that includes treatment of pediatric patients. The BARDA contract also supported the Company's clinical trial in soft-tissue reconstruction, which led to the full-thickness skin defect indication. Also included in the BARDA contract was a provision for procurement of the RECELL System under a vendor-managed inventory system to bolster emergency preparedness in the amount of $7.6 million and an additional $1.6 million to support the logistics of emergency deployment of RECELL Systems for use in mass casualty or other emergency situations. We were contracted to manage this inventory of product until the earlier of the federal government requesting shipment or at contract termination on December 31, 2023. As of December 31, 2023, we had received cumulative payments of $40.3 million under the original BARDA contract. Under the new contract, BARDA shall have access to AVITA Medical's RECELL inventory in the event of a national emergency. BARDA shall pay for the devices requisitioned under this inventory along with a nominal annual maintenance fee to ensure first right of access.

COMPETITION

We currently believe that there is no direct competition for the RECELL system. Additionally, our innovative technology is supported by robust intellectual property rights and we believe that regulatory approval processes around the world will continue to provide additional and significant barriers to entry against meaningful competition. Despite these meaningful competitive advantages, the medical device, biotechnology, and pharmaceutical industries are highly competitive and subject to rapid advancements in technology, as well as changes in practice. In the future, we may face competition from various sources, including medical device, pharmaceutical, and wound care companies, academic and medical institutions, governmental agencies, medical practitioners, and public and private research institutions, among others. Consequently, any product that we successfully develop and/or commercialize will compete with both existing therapies and any new therapies that may emerge in the future.

In the burns and non-burn wound markets, our indirect competitor is primarily split-thickness autografts. While RECELL complements autografts for the treatment of various wound injuries, split-thickness autografts represent the traditional surgical procedure and the current standard of care. However, based on our clinical trials, we believe that the RECELL system offers sustainable competitive clinical and economic advantages over the traditional surgical procedure. Additionally, in the burns market, Vericel Corporation markets Epicel® as a permanent skin replacement for deep-dermal or full-thickness burns; however, Epicel is a cultured epidermal autograft grown ex vivo and exclusively used to treat burns comprised of greater than or equal to 30% of TBSA.

GOVERNMENT REGULATIONS

The production and marketing of the RECELL System and any additional product candidates developed in future ongoing research and development activities are subject to regulation by numerous governmental authorities including the FDA in the U.S. and similar agencies in other countries throughout the world. Pursuant to its authority under the Federal Food, Drug, and Cosmetic Act (the "FD&C Act"), the FDA has jurisdiction over medical devices in the U.S. The FDA regulates the design, development, manufacturing, and distribution of medical devices to ensure that medical products distributed domestically are safe and effective for their intended uses. The FD&C Act classifies medical devices into one of three categories based on the risks associated with the device and the level of control necessary to provide reasonable assurance of safety and effectiveness. Devices deemed by the FDA to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices, or devices deemed not substantially equivalent to a previously 510(k) cleared device are categorized as Class III. These devices typically require submission and approval of a PMA. The RECELL System is categorized as a Class III medical device, and in September 2018 the FDA granted our PMA for use in the treatment of acute thermal burns in patients 18 years and older. In June 2021, the FDA approved a supplement to our PMA to expand the use of RECELL in pediatric patients with full-thickness burns. In June 2023, the FDA approved a supplement to our PMA to expand the use of RECELL for full-thickness skin defects and an original PMA to expand the use of RECELL for the repigmentation of stable depigmented vitiligo lesions.

To support PMA supplements in the U.S. or applications for approval in other regions, the completion of additional clinical and non-clinical studies and supporting development activities will likely be required. Clinical trials can take many years to complete and require the expenditure of substantial resources. The length of time varies substantially according to the type, complexity, novelty and intended use of the product candidate. We cannot make any assurances that once clinical trials are completed by us or a collaborative partner, that we will be able to submit as scheduled a marketing approval request to the applicable governmental regulatory authority, or that such request and application will be reviewed and cleared by such governmental authority in a timely manner, or at all. Although we intend to make use of fast-track and abbreviated regulatory approval programs when possible and commercially appropriate, we cannot be certain that we will be able to obtain the clearances and approvals necessary for clinical testing or for manufacturing and marketing our product candidates. Delays in obtaining regulatory approvals could adversely affect the development and commercialization of our product candidates and could adversely impact our business, financial condition, and results of operations. During the course of clinical trials and non-clinical studies, product candidates may exhibit unforeseen and unacceptable safety considerations. If any unacceptable side effects were to occur, we may, or regulatory authorities may require us to, interrupt, limit, delay or abort the development of our potential products.

Any products manufactured or distributed by us pursuant to regulatory approvals are subject to continuing regulation by the FDA and similar agencies in other countries, including maintaining records supporting manufacturing and distribution under cGMP regulations, periodic reporting, advertising, promotion, compliance with any post-approval requirements imposed as a conditional of approval, recordkeeping and reporting requirements, including adverse events experiences. After approval, material changes to the approved product, such as adding new indications or other labeling claims, or changes to the manufacturing process, are subject to prior approval by FDA and other regulatory agencies. Medical device manufacturers and their subcontractors are required to register their establishments with the FDA, certain state agencies and international agencies. Subcontractors are subject to periodic announced and unannounced inspections by the FDA and other agencies for compliance with cGMP requirements. We have established processes in place for categorization of vendor criticality and the associated activities for qualification and monitoring of vendors. These activities include but are not limited to, requiring certification of supplier in conformance to relevant cGMP regulations and other FDA and international agency regulatory requirements, approved supplier lists, and regular Company conducted audits. In addition, all goods and services purchased from suppliers by us must be purchased from only those suppliers on the approved supplier list. Furthermore, the Company itself will continue to comply with all relevant FDA requirements and regulations and any applicable international agency regulatory requirements in its continued manufacturing and promotion of its FDA approved commercial product.

In addition to FDA approval in the U.S., the RECELL System has received various approvals and registrations in international markets. The RECELL System is TGA-registered in Australia, received CE-mark approval in Europe, and received Japan's Pharmaceuticals and Medical Devices Act (PMDA) approval for burns in Japan.

HEALTHCARE LAWS AND REGULATIONS

AVITA Medical is a manufacturer of a medical device and therefore we are subject to regulations by the FDA and various federal and state healthcare laws and regulations. These regulations govern our advertising and promotional practices, our interactions with healthcare providers ("HCPs"), and our reporting of any payments made to HCPs. AVITA Medical is committed to the highest standards of business conduct in accordance with the AdvaMed Code of Ethics.

Interactions with Healthcare Providers

Providing any benefits or advantages to HCPs in order to induce or encourage the use or referral of AVITA products is strictly prohibited by both U.S. and international laws and regulations. Restrictions under applicable Federal and State healthcare laws and regulations include but are not limited to the following:

- The Federal healthcare Anti-Kickback Statute ("AKS"). AKS prohibits any person from soliciting, offering, receiving, or providing any remuneration in cash or in kind, whether directly or indirectly, to induce or reward the referral, purchase, lease, order, or recommendation of any item or service for which payment may be made in whole or in part under a federal healthcare program such as Medicare and Medicaid.
- The Federal False Claims Act ("FCA"). FCA may be enforced by either the U.S. Department of Justice or private whistleblowers should they choose to bring civil (qui tam) actions on behalf of the federal government. The FCA imposes civil penalties, as well as liability for treble damages and for attorneys' fees and costs, on individuals or entities who knowingly present, or cause to be presented, claims for payment that are false or fraudulent to the federal government. FCA also imposes similar penalties on those who make a false statement material to a fraudulent claim, or who improperly avoid, decrease, or conceal an obligation to pay money to the federal government.
- State and foreign laws and regulations may apply to sales or marketing arrangements and claims involving healthcare devices or services reimbursed by non-governmental third-party payors.

Additionally, certain state laws require medical device companies to comply with voluntary guidelines in our interactions with healthcare providers promulgated by global trade associations and relevant compliance guidance issued by the U.S. Department of Health and Human Services, Office of Inspector General. Such laws prohibit medical device manufacturers from offering or providing certain types of payments or gifts to health care providers; and/or require the disclosure of gifts or payments to healthcare providers.

Interactions with Foreign Officials and Entities

The U.S. Foreign Corrupt Practices Act ("FCPA") prohibits any U.S. individual or business from paying, offering, or authorizing payment or offering of anything of value, directly or indirectly, to any foreign official, political party, or candidate for the purpose of influencing any act or decision of the foreign entity in order to assist the individual or business in obtaining or retaining business. The FCPA also obligates companies whose securities are listed in the U.S. to comply with accounting provisions requiring the companies to maintain books and records that accurately and fairly reflect all transactions of the companies, including international subsidiaries, and to devise and maintain an adequate system of internal accounting controls for international operations. We are also subject to similar regulations under the Australian bribery laws and other anti-corruption laws that apply in countries where we do business.

Federal and State Reporting

Pursuant to the federal National Physician Payment Transparence Program (Open Payments) Act, AVITA Medical is required to report annually to the Centers for Medicare and Medicaid Services within the U.S. Department of Health and Human Services. Additionally, in adhering to federal reporting requirements, all relevant state marketing reporting regulations, any payments, and transfers of value to physicians and teaching hospitals, as well as other categories of disclosures must be reported annually.

Privacy

AVITA Medical must comply with the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA") which imposes criminal and civil liability for, among other conduct, making false statements relating to healthcare matters and executing a scheme to defraud any healthcare benefit program. It also imposes criminal and civil liability and penalties on those who violate requirements such as mandatory contractual terms which are intended to safeguard the security, transmission and use of individually identifiable health information.

Various state and foreign laws also govern the privacy and security of health information such as the European Union General Data Protection Regulation ("GDPR"). GDPR governs the use of individual health data and other personal information and imposes strict obligations and restrictions on the ability to use, access, process, and disseminate health data from clinical trials and adverse event reporting, among others.

ENVIRONMENTAL, HEALTH AND SAFETY MATTERS

We are subject to extensive environmental, health and safety laws and regulations in a number of jurisdictions, primarily in California and the U.S., governing, among other things: the use, storage, registration, handling, emission and disposal of chemicals, waste materials and sewage; chemicals, air, water and ground contamination; and air emissions and the cleanup of contaminated sites, including any contamination that could result from spills due to our failure to properly dispose of production waste materials. Our operations at our Ventura manufacturing facility produce a small amount of waste materials that are considered minimally hazardous, and we use a third-party waste disposal company to remove any waste generated during operations from the facility. Our activities require permits from various governmental authorities including local municipal authorities. Local and state authorities may conduct periodic inspections in order to review and ensure our compliance with the various regulations. We are not presently aware of any violations or deficiencies. These laws, regulations and permits could potentially require the expenditure by us for compliance or remediation.

AVAILABLE INFORMATION

The Company files annual, quarterly and current reports, proxy statements and other documents with the Securities and Exchange Commission ("SEC") under the Exchange Act. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The public can obtain any documents that we file with the SEC at www.sec.gov. In addition, copies of announcements made by the Company to ASX are available on the ASX website (www.asx.com.au) and also, under the heading "Investors: Press Releases" at the following link on our website (https://ir.avitamedical.com/press-releases). We maintain a website at www.avitamedical.com. Since becoming a domestic U.S. issuer on July 1, 2020, our filings with the SEC, including without limitation, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, are available free of charge on our website under the heading "Investors: Financials _SEC Filings" at the following link on our website (https://ir.avitamedical.com/financials/sec-filings), as soon as reasonably practicable after we file or furnish them electronically with the SEC. Information contained on our website is not part of or incorporated into this annual report.

ORGANIZATIONAL STRUCTURE

Prior to the Corporate Restructuring initiated during fourth quarter, the Company had a total of six subsidiaries and their corporate details and business activities are listed below:

Subsidiary Name	Place of Incorporation	% Held	Business Purpose
AVITA Medical Pty Limited	Australia	100	Operating Company
AVITA Medical Americas, LLC	Delaware	100	U.S. operations
AVITA Medical Europe Limited	United Kingdom	100	EMEA operations
Visiomed Group Pty Ltd	Australia	100	Asia Pacific Operations
C3 Operations Pty Ltd	Australia	100	Holding company
Infamed Pty Ltd	Australia	100	Inactive

By the end of the fourth quarter of 2023 the business activities of AVITA Medical Pty Limited, AVITA Medical Europe Limited, Visiomed Group Pty Ltd, C3 Operations Pty Ltd and Infamed Pty Ltd were liquidated. AVITA Medical Americas LLC was transferred from C3 Operations Pty Ltd to be directly held by the Company in preparation for each of AVITA Medical Pty Limited, AVITA Medical Europe Limited, Visiomed Group Pty Ltd, C3 Operations Pty Ltd and Infamed Pty Ltd to be deregistered during the course of 2024.

After the Corporate Reorganization (expected to occur by the end of the third quarter in 2024), the Company's entity structure will be as follows:

Subsidiary Name	Place of Incorporation	% Held	Business Purpose
AVITA Medical Americas, LLC	Delaware	100	U.S. operations

Item 1A. RISK FACTORS

Our business faces significant risks. You should carefully consider all of the information set forth in this annual report, including the following risk factors. Our business, results of operations, and financial condition could be materially and adversely affected by any of these risks, and in such event, the trading price of our common stock would likely decline, and you might lose all or part of your investment. This Annual Report also contains forward-looking statements that involve risks and uncertainties, and our results could materially differ from those anticipated in these forward-looking statements. See "*Forward-Looking Statements*" included elsewhere within this Annual Report for a discussion of certain risks, uncertainties and assumptions associated with these statements.

Risks Related to Our Business Operations

We have experienced significant losses, expect losses to continue for the foreseeable future and may never achieve or maintain profitability.

Although we have begun full scale marketing and sales of our RECELL® System in the United States and other jurisdictions, we have not yet achieved profitability. We had a total net loss of $35.4 million and $26.7 million for the year ended December 31, 2023 and December 31, 2022, respectively. We have incurred a cumulative deficit of $298.0 million through December 31, 2023. We anticipate that we may continue to incur losses at least until U.S. sales of the RECELL System are adequate to fund operating expenses. We may not be able to successfully achieve or sustain profitability. Successful transition to profitable operations is dependent upon achieving a level of revenues adequate to support our cost structure, including in new markets for which we are not presently approved.

Servicing our debt requires a significant amount of cash and we are subject to a number of restrictive covenants relating to our indebtedness, which may restrict our business and financing activities.

Pursuant to the Credit Agreement that the Company entered with OrbiMed Advisors, LLC ("Credit Agreement") on October 18, 2023, we incurred $40.0 million of indebtedness secured by substantially all of our assets and have the ability to incur an additional $50.0 million of indebtedness. This level of debt could have significant consequences on future operations, including increasing our vulnerability to adverse economic and industry conditions and limiting our flexibility in planning for, or reacting to, changes in our business and the markets in which we compete.

Our ability to make scheduled payments of interest depends on our future performance, which is subject to interest rate risk, economic, financial, competitive and other factors beyond our control. We are exposed to risks related to a potential rising interest rate environment for the debt, which could cause our borrowing costs to rise and impact our liquidity. Our business may not generate cash flow from operations in the future sufficient to service our debt in cash and make necessary capital expenditures. In addition, if the Company's net revenue does not equal or exceed a certain amount for upcoming fiscal periods as set forth in the Credit Agreement, then the Company will be required to repay five percent of the outstanding principal amount of its indebtedness in equal quarterly installments, in addition to a repayment fee and a prepayment fee.

If we are unable to generate sufficient cash flow to satisfy payment obligations under the Credit Agreement, we may be required to adopt one or more alternatives, such as obtaining additional equity capital on terms that may be onerous or highly dilutive. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

The restrictions and covenants in the Credit Agreement may also prevent us from taking actions that we believe would be in the best interests of our business, and may make it difficult for us to successfully execute our business strategy or effectively compete with companies that are not similarly restricted. Our ability to comply with these covenants in future periods will largely depend on the success of our products, and our ability to successfully implement our overall business strategy. We may be unsuccessful in obtaining waivers or amendments to restrictions and covenants in the agreements. The breach of any of these covenants and restrictions could result in a default under the Credit Agreement, which could result in an acceleration of the repayment of our indebtedness.

Provisions in our U.S. government contracts, may affect our intellectual property rights.

Certain of our activities have been funded, and may in the future be funded, by the U.S. government, including through previous contracts with BARDA. When new technologies are developed with U.S. government funding, the government obtains certain rights in any resulting patents, including the right to a nonexclusive license authorizing the government to use the invention and rights that may permit the government to disclose our confidential information to third parties and to exercise "march-in" rights. The government can exercise its march-in rights if it determines that action is necessary because we fail to achieve practical application of the U.S. government-funded technology, because action is necessary to alleviate health or safety needs, to meet requirements of federal regulations, or to give preference to U.S. industry. In addition, U.S. government-funded inventions must be reported to the government, U.S. government funding must be disclosed in any resulting patent applications, and our rights in such inventions may be subject to certain requirements to manufacture products in the United States.

Development and commercialization of our products require successful completion of the regulatory approval process and may suffer delays or fail. We may be unsuccessful in obtaining additional approvals for our RECELL System for full thickness skin defects and skin conditions such as vitiligo.

In the United States, as well as other jurisdictions, we have been and will be required to apply for and receive regulatory authorization before we can market our products. For instance, our RECELL System has been approved by the FDA and regulatory authorities in Australia, the EU and Japan for use in certain treatments of burns, acute wounds, scars and vitiligo. However, we will require additional clinical data or approvals from regulatory authorities within these countries to market the product for the treatment of other indications, and from any other jurisdictions in which we seek to market the product. This process can be time-consuming and complicated and may be unsuccessful or otherwise result in unanticipated delays or fail altogether. For example, on September 29, 2023, the Company received notice from the FDA that additional information regarding the Company's PMA supplement for its latest device, RECELL GO is required for the continuation of the FDA's review. This request, which is not unique to the Breakthrough Device Program, placed the application file on hold for approximately 4 to 6 months while the Company addresses the FDA's questions.

To secure marketing authorization, an applicant generally is required to submit an application that includes the data supporting preclinical and clinical safety and effectiveness as well as detailed information on the manufacturing and control of the product, proposed labeling and other additional information. Before marketing authorization is granted, regulatory authorities may require the inspection of the manufacturing facility or facilities and quality systems (including those of third parties) at which the product candidate is manufactured and tested, as well as potential audits of the non-clinical and clinical trial sites that generated the data cited in the marketing authorization application.

We cannot predict whether any additional marketing authorizations will ultimately be granted or how long the applicable regulatory authority or agency will take to do so. Regulatory agencies, including the FDA, have substantial discretion in the approval process. In addition, the approval process and the requirements governing clinical trials vary from country to country. The policies of

the FDA or other regulatory authorities may change, and additional government regulations may be enacted that could prevent, limit or delay the necessary approval of any products we may develop and commercialize. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or elsewhere. If we are slow or unable to adapt to new or changed requirements, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained, and we may not achieve or sustain profitability.

Additionally, any future regulatory approvals that we receive may also contain requirements for costly post-marketing testing and surveillance to monitor the safety and effectiveness of the product. Once a product is approved, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion, import, export, and record keeping for the product will be subject to extensive and ongoing regulatory requirements. These requirements include submission of safety and other post-marketing reports, registration, and continued compliance with good manufacturing practices for any clinical trials that we conduct post-approval.

Finally, per FDA regulations, changes made to products, specifications, or test data evaluation methodology would generally require communication with the FDA. There are several pathways for communicating with the FDA of such changes. As part of such review, the FDA may request additional information, at which time the product may become temporarily unavailable.

Our success depends, in part, on our relationships with, and the efforts of, third-party distributors.

We rely on third-party distributors for a portion of our sales in countries outside of the U.S. Our distributors may not commit the necessary resources to market and sell our products to the level of our expectations, and, regardless of the resources they commit, they may not be successful. If we are not able to maintain our distribution network, if our distribution network is not successful in marketing and selling our products, or if we experience a significant reduction in, cancellation, or change in the size and timing of orders from our distributors, our revenues could decline significantly and lead to an inability to meet operating cash flow requirements, which would have a material adverse effect on our business, financial condition, and results of operations.

Obtaining and maintaining regulatory approval for a product candidate in one jurisdiction does not mean that we will be successful in obtaining regulatory approval for that product candidate in other jurisdictions.

Obtaining and maintaining regulatory approval for a product in one jurisdiction does not guarantee that we will be able to obtain or maintain similar approval in other jurisdictions, while a failure or delay in obtaining regulatory approval in one jurisdiction may have a negative effect on the regulatory approval process in others. For example, even though the FDA has granted marketing approval for use of our RECELL System for the treatment full-thickness skin defects and vitiligo, comparable regulatory authorities in foreign jurisdictions must also approve the manufacturing, marketing and promotion of the product candidate in those countries if not currently approved. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and greater than, those in the United States, including additional preclinical studies or clinical trials as clinical trials conducted in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions. In many jurisdictions outside the United States, a medical device must be approved for reimbursement before it can be approved for sale in that jurisdiction. In some cases, the price that we intend to charge for our products is also subject to approval.

We are highly dependent on our regulatory approval in the United States and failure to maintain that approval would materially impact our business and prospects.

Our business is highly dependent on the PMA we received in September 2018 from the FDA including subsequent secondary approvals of the PMA outside of burns. This PMA allows us to sell our RECELL System in the United States, our current primary market. While we intend to take every action and precaution to ensure that our PMA remains effective, it is possible that the FDA could take a position in the future that requires a modification, temporary suspension or revocation of our PMA. Any such action by the FDA would have a material adverse effect on our business.

We may encounter substantial delays in any further clinical studies necessary to support any regulatory applications for additional commercial applications of our technology.

We cannot guarantee that any preclinical testing or clinical trials will be conducted as planned or completed on schedule, if at all. As a result, we may not achieve the expected clinical milestones necessary for approval by the FDA, or other regulators, for the use of our RECELL System for additional applications in the United States or other countries.

A failure in a clinical study or regulatory application can occur at any stage. Events that may prevent successful or timely commencement, enrollment or completion of clinical development or a regulatory application include:

- delays in raising, or inability to raise, sufficient capital to fund the planned trials;
- delays in reaching a consensus with regulatory agencies on trial design;
- changes in trial design;
- inability to identify, recruit and train suitable clinical investigators;
- inability to add new clinical trial sites;
- delays in reaching agreement on acceptable terms for the performance of the trials with prospective clinical research organizations and clinical trial sites;
- delays in recruiting suitable clinical sites and patients (i.e., subjects) to participate in clinical trials;
- imposition of a clinical hold by regulatory agencies for any reason, including negative clinical results, safety concerns or as a result of an inspection of manufacturing or clinical operations or trial sites;
- failure by any relevant parties to adhere to clinical trial requirements;
- failure to perform in accordance with the FDA's Good Clinical Practice ("GCPs"), or applicable regulatory guidelines in other countries;
- delays in the testing, validation, manufacturing and delivery of the product candidates to the clinical sites;
- delays caused by clinical trial sites not completing a trial;
- failure to demonstrate adequate effectiveness;
- occurrence of serious adverse events in clinical trials that are associated with the product candidates that are viewed to outweigh its potential benefits;
- changes in regulatory requirements and guidance that require amending or submitting new clinical protocols;
- adverse events, safety issues, product recalls, manufacturing or supply chain interruptions, or poor clinical outcomes where the RECELL System is being used commercially; and
- disagreements with regulatory agencies in the interpretation of the data from our clinical trials.

Delays, including delays caused by the above factors, can be costly and could negatively affect our ability to complete clinical trials for our product candidates. If we are not able to successfully complete clinical trials or are not able to do so in a timely and cost-effective manner, we will not be able to obtain regulatory approval for the use of our RECELL System for additional applications, all of which could have a material adverse effect on our business, financial condition and results of operations.

We may be unsuccessful in commercializing our RECELL System, or other future products, due to unfavorable pricing regulations or third-party coverage and reimbursement policies.

We cannot guarantee that we will receive favorable pricing and reimbursement for use of our products. The rules and regulations that govern pricing and reimbursement for medical products vary widely from country to country or from indication to indication, and within the United States, can also vary widely from one health system or hospital to the next. In some foreign jurisdictions, including the EU, the government largely controls pricing of medical products. In other countries, coverage negotiations must occur at the regional or hospital level. Pricing negotiations can take considerable time after the receipt of marketing approval for a medical product.

As a result, even after obtaining regulatory approval for a product in a particular country, we may be subject to price regulations or limited reimbursement, which may delay or limit our commercial launch of the product and negatively impact the revenue we are able to generate from the sale of the product in that country. Adverse pricing limitations may hinder our ability to recoup our total investment in our RECELL System or other future products, even after obtaining regulatory approval.

If we are unable to promptly obtain coverage and profitable payment rates from hospital budget, government-funded and private purchasers for the RECELL System or any future products, this could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize products and our overall financial condition.

For example, we presently benefit from various reimbursement codes, including the following:

- for hospitals in inpatient services using Medicare Severity Diagnosis-Related Groups ("MS-DRGs").
- Specific International Classification of Disease, 10th revision, Procedure Classification System ("ICD-10-PCS") code series describing our "cell suspension technique" for the use of the RECELL System.
- CPT codes to support physician reimbursement for professional healthcare services, ambulatory surgical center ("ASCs") reimbursement for facility services and hospital reimbursement for outpatient department services. Medicare reimburses

ASCs for services using CPT codes and reimburses hospitals for outpatient services using Ambulatory Payment Classifications ("APCs").

In addition, in 2022, we were approved for a TPT C code to support additional Medicare payment in the outpatient hospital and the ASC setting. There can be no guarantee that the above reimbursement codes will not be withdrawn, reduced, consolidated or otherwise be altered in a manner which is not supportive of ongoing commercial use of the RECELL System.

We may require additional financing in the future to continue the development and commercialization of our RECELL System or any future products, which may cause dilution to our existing stockholders. If additional financing is not available, we may have to postpone, reduce or cease operations.

If we are unable to achieve profitability sufficient to permit us to fund our operations, repay the indebtedness under our Credit Agreement with OrbiMed and other planned actions, we may be required to raise additional capital. There can be no assurance that such capital would be available on favorable terms, or at all. If we raise additional capital through the issuance of equity, the percentage ownership held by existing stockholders may be reduced, and the market price of our common stock or CDIs could fall due to an increased number of shares or CDIs available for sale in the market. If we are unable to secure additional capital as circumstances require, we may not be able to fund our planned activities or continue our operations.

We face manufacturing risks that may adversely affect our ability to manufacture products and could reduce our gross margins and negatively affect our business and operating results.

Our success depends, in part, on our ability to manufacture our current and future products in sufficient quantities and on a timely basis to meet demand, while adhering to product quality standards, complying with regulatory quality system requirements and managing manufacturing costs. We have a manufacturing facility located in Ventura, California where we produce, package and warehouse the RECELL System. We also rely on global third-party manufacturers for production of some of the components used in the RECELL System. If our facility, or the facilities of our third-party contract manufacturers, suffer damage, or a force majeure event, this could materially impact our ability to operate.

We are also subject to other risks relating to our manufacturing capabilities, including:

- quality and reliability of components, sub-assemblies and materials that we source from third-party suppliers, who are required to meet our quality specifications, some of whom are our single-source suppliers for the products they supply;
- failure to secure raw materials, components and materials in a timely manner, in sufficient quantities or on commercially reasonable terms;
- inability to secure raw materials, components and materials of sufficient quality to meet the exacting needs of medical device manufacturing;
- inability to increase production capacity or volumes to meet demand; and

As demand for our products increases, we will have to invest additional resources to purchase raw materials and components, sub-assemblies and materials, hire and train employees and enhance our manufacturing processes. If we fail to increase our production capacity efficiently to meet demand for our products, we may not be able to fill customer orders on a timely basis, our sales may not increase in line with our expectations and our operating margins could fluctuate or decline. It may not be possible for us to manufacture our products at a cost or in quantities sufficient to make these products commercially viable or to maintain current operating margins, all of which could have a material adverse effect on our business, financial condition and results of operations. In addition, we are continually identifying additional third-party suppliers who could serve if necessary as replacement manufacturers should the need arise.

Certain of our products are dependent on specialized sources of supply potentially subject to disruption which could have a material, adverse impact on our business.

Due to the cost and regulatory requirements associated with qualifying multiple suppliers, in the prior year we single-sourced some of our material components. To the extent that any of these single-sourced suppliers experience disruptions in deliveries due to production, quality, or other issues, we are potentially subject to similar production delays or unfavorable cost increases. In the current year, we invested resources in obtaining additional suppliers for some of our key raw materials, but these efforts only mitigate, and not eliminate, our supply chain risk.

We rely on third parties to conduct, supervise and monitor our clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our drug product candidates and our business could be substantially harmed.

We rely on clinical research organizations ("CRO"), and clinical trial sites to ensure our clinical trials are conducted properly and on time. While we will have agreements governing their activities, we will have limited influence over their actual performance. CROs manage and monitor the clinical trials, duties and functions, and we will control only certain aspects of our CROs' activities. Nevertheless, we will be responsible for ensuring that each of our clinical trials is conducted in accordance with the applicable protocol, legal, regulatory and scientific standards, and our reliance on the CROs does not relieve us of our regulatory responsibilities.

We and our CROs are required to comply with the FDA's GCPs for conducting, recording and reporting the results of clinical trials to assure that the data and reported results are credible and accurate and that the rights, integrity and confidentiality of clinical trial participants are protected. The FDA, and comparable foreign regulatory authorities, enforces these GCPs through periodic inspections of trial sponsors, principal investigators and clinical trial sites. If we or our CROs fail to comply with applicable GCPs, the clinical data generated in our future clinical trials may be deemed unreliable and the FDA or other foreign regulatory authorities may require us to perform additional clinical trials before approving any marketing applications.

If our CROs do not successfully carry out their contractual duties or obligations, fail to meet expected deadlines, or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols or regulatory requirements, or for any other reasons, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain regulatory approval for, or successfully commercialize, our product candidates. If any such event were to occur, our financial results and the commercial prospects for our product candidates would be harmed, our costs could increase, and our ability to generate revenues could be delayed. If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs or to do so on commercially reasonable terms. Further, switching or adding additional CROs involves additional costs and requires management time and focus. In addition, there is a natural transition period when a new CRO commences work. As a result, delays occur, which could materially impact our ability to meet our desired clinical development timelines. Though we carefully manage our relationships with our CROs, there can be no assurance that we will not encounter challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, financial condition and prospects.

Product recalls or inventory losses caused by unforeseen events may adversely affect our operating results and financial condition.

Our products are manufactured, stored and distributed using technically complex processes requiring specialized facilities, highly specific raw materials and other production constraints. The complexity of these processes, as well as strict company and government standards for the manufacture, storage and distribution of our product candidates, subjects us to risks. In addition, process deviations or unanticipated effects of approved process changes may result in production runs of our RECELL System not complying with stability requirements or specifications. The occurrence or suspected occurrence of production and distribution difficulties can lead to lost inventories and in some cases product recalls, with consequential reputational damage and the risk of product liability. The investigation and remediation of any identified problems can cause production delays, substantial expense, lost sales and delays of new product launches. In the event our production efforts require a recall or result in an inventory loss, our operating results and financial condition may be adversely affected.

A cyber security incident could be disruptive to our business, compromise confidential data, cause reputation harm, and subject us to litigation and federal and state governmental inquiries.

We collect and store sensitive business and other information, including intellectual property and trade secrets, on our networks. Our business operations are dependent upon the secure maintenance of this information. Despite the implementation of security measures, our internal computer and information technology systems and those of our vendors and customers are vulnerable to attack and damage from computer viruses, malware, denial of service attacks, unauthorized access, or other harm, including from threat actors seeking to cause disruption to our business. We face risks related to the protection of information that we maintain—or engage a third-party to maintain on our behalf—including unauthorized access, acquisition, use, disclosure, or modification of such information. Cyberattacks are increasing in their frequency, sophistication and intensity and have become increasingly difficult to detect. Cyberattacks could include the deployment of harmful malware, ransomware, denial-of-service attacks, social engineering and other means to affect service reliability and threaten the confidentiality, integrity and availability of information. Beyond external criminal activity, systems that access or control access to our services and databases may be compromised as a result of human error, fraud or malice on the part of employees or third parties, or may result from accidental technological failure. A material cyberattack or security incident could cause interruptions in our operations and could result in a material disruption of our business operations, damage to our reputation, financial condition, results of operations, cash flows and prospects.

We receive, collect, process, use and store a large amount of information from our customers and our own employees, including personal information, protected health and other sensitive and confidential information. If threat actors are able to circumvent or breach our security systems, they could steal any information located therein or cause serious and potentially long-lasting disruption to our operations. Security breaches or attempts thereof could also damage our reputation and expose us to a risk of monetary loss and/or litigation, fines and sanctions. We also face risks associated with security breaches affecting third parties that conduct business with us or our customers and others who interact with our data. While we maintain insurance that covers certain security incidents, we may not carry appropriate insurance or maintain sufficient coverage to compensate for all potential liability.

We are subject to diverse laws and regulations relating to data privacy and security, such as HIPPA and similar U.S. state data protection regulations, including the California Consumer Privacy Act (CCPA), and European data privacy laws, including the E.U.'s General Data Protection Regulation. Complying with these numerous and complex regulations is expensive and difficult, and failure to comply with these regulations could result in regulatory scrutiny, fines, civil liability or damage to our reputation. In addition, any security breach or attempt thereof could result in liability for stolen assets or information, additional costs associated with repairing any system damage, incentives offered to clients or other business partners to maintain business relationships after a breach, and implementation of measures to prevent future breaches, including organizational changes, deployment of additional personnel and protection technologies, employee training and engagement of third-party experts and consultants. Additionally, the costs incurred to remediate any security incident could be substantial.

We cannot assure you that any of our third-party service providers with access to our, or our customers and/or employees' personally identifiable and other sensitive or confidential information will not experience security breaches or attempts thereof, which could have a corresponding effect on our business.

We rely on information technology systems for critical business functions and the operations of our business.

We rely upon complex, integrated information technology ("IT") systems in our business functions including our quality systems to operate our business. If any of our IT systems were to be disrupted or fail, our business could suffer irreparable harm, financial loss, and our operations would be adversely impacted.

The markets in which we operate are highly competitive and innovative. Our competitors may develop products that render our products less attractive or obsolete and our business may deteriorate.

The markets for our products are highly competitive and our competitors may develop products that may more effectively compete with our products, thus negatively impacting our sales, financial conditions and business prospects. Our competitors may have significantly more financial and other resources to invest in product development. We must continue to develop and market new products, or we risk our products becoming obsolete, in which case, our revenues may decline, and our business prospects may suffer.

Product development is an expensive, uncertain and lengthy process.

We have significant product development projects ongoing that, if successful, are intended to improve the ease and use of our device in our current burn indication, as well as in full-thickness skin defects, vitiligo and future indications. The costs, timeline and ultimate success of these product development programs are subject to risk and uncertainty. If we are not able to develop and obtain regulatory approval for these products in development in a timely fashion and within budget, our business prospects and financial condition may suffer.

Compliance with environmental, health and safety requirements is costly and, if not achieved, could result in material financial fines and penalties, expensive lawsuits, cessation of business operations, and a material adverse impact on the business.

Our manufacturing and other processes may involve the use of hazardous materials subject to federal, state, and local and foreign environmental requirements. Under some environmental laws and regulations, we could be held responsible for costs at third-party sites that we have used for waste disposal, or for contamination at our past or present facilities. Failure to comply with current environmental laws, or future laws, could result in significant fines, penalties and expenses which could have an adverse impact on our financial condition.

We may be subject to civil and criminal penalties if the FDA determines that we have marketed or promoted our products for off-label usage.

We are prohibited from promoting our products for uses that are inconsistent with the uses that have been approved by the FDA - also known as "off-label" uses. More specifically, we may not make claims, in our promotion materials, website or otherwise,

about the use of any RECELL products which are outside of their approved labeling and indications. If the FDA determines that our marketing activities constitute off-label promotion, the FDA could impose fines and penalties on the Company and our executives, withdraw or recall our approved product from the market, as well as limit our product from off-label usage.

Risks Relating to our Industry and Intellectual Property

We face competition from the existing standard of care and any future potential changes in medical practice and technology and the possibility that our competitors may develop products, treatments or procedures that are similar, more advanced, safer or more effective than ours.

The medical device, biotechnology and pharmaceutical industries, specifically relating to the areas where we currently or intend to market our RECELL System, are intensely competitive and subject to significant changes due to technology and medical practice standards. We may face competition from any number of different sources with respect to any products we develop and commercialize.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products, treatments or procedures that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than our RECELL System or any future products we develop. Many of our current or future competitors may have significantly greater financial resources and experience and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we may have. Mergers and acquisitions in the pharmaceutical, medical device, and biotechnology industries or wound care markets may result in increased concentration of resources among a smaller number of our competitors. Other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These companies compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

We could be subject to product liability lawsuits, which could result in costly and time-consuming litigation and significant liabilities.

The development of medical device products, such as our RECELL System, involves an inherent risk of product liability claims and associated financial liability and adverse publicity. Any products we may develop could be found to be harmful or to contain harmful substances and expose us to substantial liability and risk of litigation or may force us to discontinue production. We may be unable to obtain or maintain insurance on reasonable terms or otherwise protect ourselves against potential product liability claims that could impede or prevent further business development of any products we may create and commercialize. Furthermore, a product liability claim could damage our reputation, whether or not such claims are covered by insurance or have merit. A product liability claim against us or the withdrawal of a product from the market could have a material adverse effect on our business or financial condition. Furthermore, product liability lawsuits, regardless of their success, would likely be time consuming and expensive to resolve and would divert management's time and attention, which could seriously harm our business.

If we are unable to effectively protect our intellectual property, we may not be able to operate our business and third parties may be able to use and profit from our technology, both of which would impair our ability to be competitive.

Our success will be heavily dependent on our ability to obtain and maintain meaningful patent protection for our technologies and products throughout the world. Patent law relating to the technology fields in which we will operate is still evolving. The amount of ongoing protection for our proprietary rights therefore is uncertain. We will rely on patents to protect a significant part of our intellectual property and to enhance our competitive position. However, our presently pending or future patent applications may be denied, and any patent previously issued to us or our subsidiaries may be challenged, invalidated, held unenforceable or circumvented. In 2019, we filed a Patent Term Extension ("PTE") application with the U.S. Patent and Trademark for U.S. Patent No. 9,029,140, which covers the RECELL System, as a result of patent term lost to the FDA regulatory process. The PTE application was approved, and the patent term of U.S. Patent No. 9,029,140, has been extended to April 9, 2024. Our other patents have expected expiration dates ranging from 2032 to 2033, while our pending patent applications, if granted, would have expiration dates ranging from 2032 to 2042. Furthermore, the patent protections we have been granted may not be broad enough to prevent competitors from producing products similar to ours.

In addition, the laws of various foreign countries in which we may compete may not protect our intellectual property to the same extent as do the laws of the United States. If we fail to obtain adequate patent protection for our proprietary technology, our ability to be commercially competitive will be materially impaired.

In the ordinary course of business and as appropriate, we intend to apply for additional patents covering both our technologies and products, as we deem appropriate. Our existing patents and any future patents we obtain may not be sufficiently broad to prevent others from practicing our technologies or developing competing products and technologies. In addition, because patent law is evolving in the life science industry, the patent positions of companies like ours are uncertain. As a result, the validity and enforceability of our patents cannot be predicted with certainty.

We may find it difficult to protect our intellectual property rights throughout the world.

Filing, prosecuting and defending patents on all of our technologies and products in every jurisdiction is expensive. Competitors could reverse engineer our technologies in jurisdictions where we have not obtained patent protection to develop their own products. These products may compete with our products and may not be covered by any patent claims or other intellectual property rights.

The laws of some countries do not protect intellectual property rights to the same extent as the laws of the United States and many companies have encountered significant problems in protecting and defending such rights in foreign jurisdictions. This lack of protection, particularly in relation to biotechnology, could make it difficult for us to stop the infringement of our patents. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial cost and divert the efforts and attention of key personnel from other aspects of our business.

We may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights and we may be unable to protect our rights to, or use of, our technology.

If we choose to go to court to stop someone else from using the intellectual property claimed in our patents or our licensed patents, that individual or company has the right to ask the court to rule that these patents are invalid and/or should not be enforced against that third party. These lawsuits are expensive and would distract our key personnel and consume time and other resources, even if we were successful in stopping the infringement of these patents. In addition, there is a risk that a court will decide that these patents are invalid or unenforceable and that we do not have the right to stop the other party from using the inventions or, even if the validity or enforceability of these patents is upheld, the court may refuse to stop the other party because the competitors' activities do not infringe our rights.

If third parties make claims of intellectual property infringement against us, or otherwise seek to establish their intellectual property rights equal or superior to ours, we may have to spend time and money in response and potentially discontinue certain of our operations.

While we currently do not believe it to be the case, third parties may claim that we are employing their proprietary technology without authorization or that we are infringing on their patents. If such claims were made, we could incur substantial costs coupled with diversion of our management and key technical personnel in defending against these claims. Furthermore, parties making claims against us may be able to obtain injunctive or other equitable relief which could effectively halt our ability to further develop, commercialize and sell products. In the event of a successful claim of infringement, courts may order us to pay damages and obtain one or more licenses from third parties. We may not be able to obtain these licenses at a reasonable cost, if at all. Defense of any lawsuit or failure to obtain any of these licenses could prevent us from commercializing available products and have a material negative effect on our business.

Our current and future relationships with investigators, health care professionals, consultants, third-party payors, and customers will be subject to applicable healthcare regulatory laws, which could expose us to penalties.

Our business operations and current and future relationships with investigators, healthcare professionals, consultants, third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations. These laws regulate the business or financial arrangements and relationships through which we conduct our operations, including how we research, market, sell and distribute our products for which we obtain marketing approval. Such laws include:

- the federal Anti-Kickback Statute prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, lease, order or recommendation of, any good, facility, item or service, for which payment may be made, in whole or in part, under a federal healthcare program such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it to have committed a violation; in addition, the government may assert that a claim including

items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act;

- the federal false claims laws including the civil False Claims Act, which can be enforced through civil whistleblower or qui tam actions, and civil monetary penalties laws, which impose criminal and civil penalties against individuals or entities for knowingly presenting, or causing to be presented to the federal government, claims for payment that are false or fraudulent, knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim, or knowingly making, or causing to be made, a false statement to avoid, decrease or conceal an obligation to pay money to the federal government; in addition, the government may assert that a claim including items and services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act;
- HIPAA imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or making false or fraudulent statements relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations, also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information on health plans, health care clearing houses, and certain health care providers, known as covered entities, and their business associates, defined as independent contractors or agents of covered entities that create, receive or obtain protected health information in connection with providing a service for or on behalf of a covered entity as well as their covered subcontractors;
- a number of federal, state and foreign laws, regulations, guidance and standards that impose requirements regarding the protection of health data that are applicable to or affect our operations;
- the federal transparency requirements, sometimes referred to as the “Sunshine Act,” under the Patient Protection and Affordable Care Act, which requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children’s Health Insurance Program (with certain exceptions) to report annually to the government information related to payments or other "transfers of value" made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, and requires applicable manufacturers and group purchasing organizations to report annually to the government ownership and investment interests held by the physicians described above and their immediate family members. Applicable manufacturers are also required to report such information regarding their relationships with physician assistants, nurse practitioners, clinical nurse specialists, certified registered nurse anesthetists and certified nurse midwives during the previous year; and
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, may apply to our business practices, including but not limited to, research, distribution, sales, and marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; and state laws that require medical device companies to comply with the industry’s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government; state laws that require medical device manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers, marketing expenditures or drug pricing, as well as state and local laws that require the registration of sales representatives; and state and foreign laws governing the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Defending against any such actions can be costly, time-consuming and may require significant financial and personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired.

The continued successful commercialization of the RECELL system for FDA approved and pending indications, will depend in part on the extent to which government authorities and health insurers establish adequate reimbursement levels and pricing policies.

Continued sales of the RECELL System depend in part on the availability of coverage and reimbursement from third-party payers such as government insurance programs, including Medicare and Medicaid, private health insurers, health maintenance organizations and other health care related organizations, who are increasingly challenging the price of medical products and services.

Both the federal and state governments in the United States continue to propose and pass new legislation, regulations, and policies affecting coverage and reimbursement rates, which are designed to contain or reduce the cost of health care. Further federal and state proposals and healthcare reforms are likely, which could limit the prices that can be charged for the RECELL System and may further limit our commercial opportunity. For example, on August 16, 2022, President Biden signed the Inflation Reduction Act

of 2022, or the IRA, into law, which among other things, extends enhanced subsidies for individuals purchasing health insurance coverage in Affordable Care Act marketplaces through plan year 2025. The IRA also eliminates the "donut hole" under the Medicare Part D program beginning in 2025 by significantly lowering the beneficiary maximum out-of-pocket cost through a newly established manufacturer discount program. It is possible that the Affordable Care Act will be subject to judicial or Congressional challenges in the future. Accordingly, we continue to evaluate the effect that the Affordable Care Act has on our business.

There also may be future changes unrelated to the IRA that result in reductions in potential coverage and reimbursement levels for our product and we cannot predict the scope of any future changes or the impact that those changes would have on our operations. Cost control initiatives may decrease coverage and payment levels and, in turn, the price that we will be able to charge and/or the volume of our sales. We are unable to predict all changes to the coverage or reimbursement methodologies that will be applied by private or government payers. Any denial of private or government payer coverage, such as the Affordable Care Act, the IRA, as well as other federal, state, and foreign healthcare reform measures that have been and may be adopted in the future, or inadequate reimbursement could harm our business and reduce our revenue. Additionally, if rebate obligations associated with them are substantially greater than we expect, our future net revenue and profitability could be materially diminished.

Macroeconomic and Social Risks

Adverse changes in general economic conditions or uncertainty about future economic conditions, including economic uncertainty from the departures of critical personnel from the industry, could adversely affect us.

We are subject to the risks arising from adverse changes in general economic market conditions. Uncertainty about future economic conditions could negatively affect our current and prospective customers causing them to delay the purchase of our products. Poor economic conditions could harm our business, financial condition, operating results and cash flows. In addition, a number of nurses and other critical personnel in burn centers who are trained and well versed in the use of the RECELL system have determined to change occupations. Nationally, this has been termed the "great resignation". The fact that many burn center employees have moved on to other positions or industries may limit our ability to increase adoption of our RECELL system as we will be required to train a new group of nurses and other personnel critical to the implementation of the RECELL system.

Customer and consumer demand for our products may be impacted by weak economic conditions, recession, equity market volatility or other negative economic factors in the U.S. or other nations. The severity and length of time that a downturn in economic and financial market conditions may persist, as well as the timing, strength and sustainability of any recovery from such downturn, are unknown and are beyond our control.

Risks Relating to Our Common Stock and CDIs

We have never paid a dividend on our common stock and CDIs and do not intend to do so in the foreseeable future, and consequently, investors' only opportunity to realize a return on their investment in the Company is through the appreciation in the price of our common stock and CDIs.

We do not anticipate paying cash dividends on our common stock and CDIs in the foreseeable future and intend to retain all earnings, if any, for our operations. If we decided to pay dividends at some future time, we may not have sufficient funds legally available to do so. Even if funds are legally available for distribution, we may be unable to pay any dividends to our stockholders because of limitations imposed by a lack of liquidity. Accordingly, our stockholders may have to sell some or all of their common stock or CDIs (as applicable) in order to generate cash flow from their investment. Our stockholders may not receive a gain on their investment when they sell their common stock or CDIs and may lose some or all of their investment. Any determination to pay dividends in the future on our common stock and CDIs will be made at the discretion of our Board of Directors and will depend on our results of operations, financial conditions, contractual restrictions, restrictions imposed by applicable law, capital requirements, and other factors that our Board of Directors deems relevant.

As long as we remain subject to the rules of the ASX and of Nasdaq, we will be unable to access equity capital without stockholder approval if such equity capital sales would result in an equity issuance above regulatory thresholds and consequently, we may be unable to obtain financing sufficient to sustain our business if we are unsuccessful in soliciting requisite stockholder approvals.

Our ability to access equity capital is currently limited by ASX Listing Rule 7.1, which provides that a company must not, subject to specified exceptions, issue or agree to issue during any consecutive 12-month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities in aggregate would exceed 15% of the number of outstanding common shares at the commencement of that 12-month period unless stockholder approval is obtained.

Our equity issuances will be limited by ASX Listing Rule 7.1 so long as we continue to be listed on the ASX and this constraint may prevent us from raising the full amount of equity capital needed for operations without prior stockholder approval.

In addition to ASX Listing Rule 7.1, we are also subject to Nasdaq Listing Rule 5635(d), commonly referred to as the Nasdaq 20% Rule, which requires stockholder approval of a transaction other than a public offering involving the sale, issuance, or potential issuance by a company of common stock (or securities convertible into or exercisable for common stock) equal to 20% or more of the common stock, or 20% or more of the voting power outstanding before the issuance for less than the greater of book or market value of the shares. While less restrictive than ASX Listing Rule 7.1, the operation of the Nasdaq 20% rule could limit our ability to raise capital through issuance of common stock or convertible securities without jeopardizing our listing status. If we were to violate the Nasdaq 20% rule, the Company would be subject to delisting from Nasdaq and share prices and trading volumes would likely suffer.

There has been relatively limited trading volume in the markets for our common stock and CDIs, and more active, liquid trading markets for such securities may never develop.

Trading in our common stock on Nasdaq and our CDIs on the ASX is often thin and susceptible to wide fluctuations in trading prices due to such limited trading volume and other factors, some of which may have little to do with our operations or business prospects. Limited liquidity in the trading markets for our common stock and CDIs may adversely affect a stockholder's ability to sell its shares of our common stock or our CDIs at the time it wishes to sell them or at a price that it considers acceptable. In addition, if a more active, liquid public trading market does not develop we may be limited in our ability to raise capital by selling shares of common stock or CDIs. We cannot assure you that more active, liquid public trading markets for our common stock and CDIs will develop or, if developed, will be sustained.

The market price and trading volume of our common stock and CDIs may be volatile and may be affected by variability in our performance from period to period and economic conditions beyond management's control.

The market price of our common stock (including common stock represented by CDIs) may be highly volatile and could be subject to wide fluctuations. This means that our stockholders could experience a decrease in the value of their common stock or CDIs regardless of our operating performance or prospects. The market prices of securities of companies operating in the medical device and biotech sectors have often experienced fluctuations that have been unrelated or disproportionate to the operating results of these companies. In addition, the trading volume of our common stock and CDIs may fluctuate and cause significant price variations to occur. If the market price of our common stock or CDIs declines significantly, our stockholders may be unable to resell our common stock or CDIs at or above their purchase price, if at all. There can be no assurance that the market price of our common stock and CDIs will not fluctuate or significantly decline in the future.

Some specific factors that could negatively affect the price of our common stock and CDIs or result in fluctuations in their price and trading volume include:

- actual or expected fluctuations in our operating results;
- actual or expected changes in our growth rates or our competitors' growth rates;
- results of clinical trials of our product candidates;
- results of clinical trials of our competitors' products;
- regulatory actions with respect to our products or our competitors' products;
- reports of one or more patient serious adverse events;
- publication of research reports by securities analysts about us or our competitors in the industry;
- our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;
- fluctuations of exchange rates between the U.S. dollar and the Australian dollar;
- issuances by us of debt or equity securities;
- litigation involving our company, including stockholder litigation;
- investigations or audits by regulators into the operations of our company;
- proceedings initiated by our competitors or clients;
- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- sales or perceived potential sales of the common stock or CDIs by us, our directors, executive management team or our stockholders in the future;
- short selling or other market manipulation activities;
- announcement or expectation of additional financing efforts;
- terrorist acts, acts of war or periods of widespread civil unrest;

- natural disasters and other calamities;
- changes in market conditions for biopharmaceutical stocks;
- our inability to raise additional capital, limiting our ability to continue as a going concern;
- changes in market prices for our product or for our raw materials;
- changes in market valuations of similar companies;
- changes in key personnel for us or our competitors;
- speculation in the press or investment community;
- changes or proposed changes in laws and regulations affecting our industry; and
- conditions in the financial markets in general or changes in general economic conditions.

The requirements of being a public company in the United States and listed on the ASX may strain our resources and divert management's attention.

As a public company, we are subject to the reporting requirements of the Exchange Act, the U.S. Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), the Dodd-Frank Act and the listing standards and the rules and regulations of Nasdaq. We are also subject to the reporting requirements under the ASX Listing Rules due to the listing of our CDIs on ASX. The requirements of these rules and regulations will increase our legal, accounting and financial compliance costs, make some activities more difficult, time consuming and costly, and can place significant strain on our personnel, systems and resources. As a result of our disclosure of information in filings required of a public company, our business and financial condition is more visible, which may result in threatened or actual litigation, including by competitors, stockholders or third parties. If such claims are successful, our business and operating results could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business and operating results.

We are an emerging growth company, and the reduced disclosure requirements applicable to emerging growth companies may make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"). For as long as we continue to be an emerging growth company, we may take advantage of certain exemptions and relief from various U.S. reporting requirements that are applicable to other public companies that are not emerging growth companies, including (i) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, (ii) having the option of delaying the adoption of certain new or revised financial accounting standards, (iii) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and (iv) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We have taken, and in the future may take, advantage of these exemptions until such time that we are no longer an emerging growth company. Accordingly, the information contained herein and in other reports we file with the SEC may be different than the information our investors receive from other public companies in which they hold stock. Further, we have elected to take advantage of the extended transition period for complying with new or revised accounting standards until those standards would otherwise apply to private companies. As a result, our operating results and financial statements may not be comparable to the operating results and financial statements of other companies who have adopted the new or revised accounting standards. It is possible that some investors will find our common stock and CDIs less attractive as a result, which may result in a less active trading market for our common stock and CDIs and higher volatility in our stock and CDI price.

We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year following the fifth anniversary of the date of the first sale of our common stock pursuant to an effective registration statement under the Securities Act which, given the filing of the S-8 Registration Statement on August 27, 2020, will be December 31, 2025, (ii) the last day of the fiscal year in which we have total annual gross revenue of at least $1.07 billion, (iii) the last day of the fiscal year in which we are deemed to be a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, or (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period.

If research analysts publish unfavorable commentary or downgrade our common stock or CDIs it could adversely affect our share price and trading volume.

The trading market for our common stock and CDIs depends, in part, on the research and reports that research analysts publish about us and our business and industry. If one or more research analysts downgrade our shares or CDIs, publish unfavorable commentary about the Company or cease publishing reports about us or our business, the price of our common stock and CDIs could decline. If one or more of the research analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our common stock and CDIs could decrease, which could cause our share price or trading volume to decline.

General Risk Factors

The Company's cash, cash equivalents and marketable securities could be adversely affected by bank failures or other events affecting financial institutions and could adversely affect our liquidity and financial performance.

We regularly maintain domestic cash deposits in Federal Deposit Insurance Corporation (**"FDIC"**) insured banks, which exceed the FDIC insurance limits. We also maintain cash deposits in foreign banks where we operate, some of which are not insured or are only partially insured by the FDIC or other similar agencies. The failure or rumored failure of a bank, or events involving limited liquidity, defaults, non-performance, bankruptcy, receivership or other adverse developments in the financial or credit markets impacting financial institutions, may lead to disruptions in access to our bank deposits. These disruptions may adversely impact our liquidity and financial performance. There can be no assurance that our deposits in excess of the FDIC or other comparable insurance limits will be backstopped by the U.S. or applicable foreign government, or that any bank or financial institution with which we do business will be able to obtain needed liquidity from other banks, government institutions or by acquisition in the event of a failure or liquidity crisis. As such, those funds in bank deposit accounts in excess of the standard FDIC insurance limits are uninsured and subject to the risk of bank failure.

Currently, we have full access to all funds in deposit accounts or other money management arrangements. The failure of any bank in which we deposit our funds could reduce the amount of cash that we have available for our operations or delay our ability to access such funds. In the event of such failure, we may experience delays or other issues in meeting our financial obligations, our ability to access our cash and cash equivalents may be threatened and could have a material adverse effect on our business and financial condition.

Future adverse developments with respect to specific financial institutions or the broader financial services industry may also lead to market-wide liquidity shortages.

If we fail to manage our growth effectively, our business could be disrupted.

Our future financial performance and ability to successfully commercialize our products, which is not guaranteed, and to compete in the market will depend, in part, on our ability to manage any future growth effectively. We expect to make significant investments to facilitate our future growth through, among other things:

- new product development;
- commercial development of our RECELL System to such areas full-thickness skin defects and vitiligo;
- clinical trials for additional indications; and
- funding of our marketing and sales infrastructure.

Any failure to manage future growth effectively could have a material adverse effect on our business and results of operations.

Our growth and success depend on our ability to attract and retain additional highly qualified and skilled sales and marketing, research and development, operational, managerial and finance personnel.

Competition for skilled personnel is intense and the unexpected loss of an employee with a particular skill could have a material adverse effect on our operations until a replacement can be found and trained. If we cannot attract and retain skilled scientific and operational personnel for our research and development and manufacturing operations on acceptable terms, we may not be able to develop and commercialize our products. Further, any failure to effectively integrate new personnel could prevent us from successfully growing our company.

Our operations are subject to anti-corruption laws, including Australian bribery laws, and the FCPA and other anti-corruption laws that apply in countries where we do business.

Anti-corruption laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these anti-corruption laws. In addition, we cannot predict the nature, scope, or effect of future regulatory requirements to which our international operations might be subject or the manner in which existing laws might be administered or interpreted.

There is no assurance that we will be completely effective in ensuring our compliance with all applicable anti-corruption laws or other laws including trade related laws. If we are not in compliance with these laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity.

Likewise, any investigation of any potential violations of these laws by respective government bodies could also have an adverse impact on our reputation, our business, results of operations and financial condition.

Item 1B. UNRESOLVED STAFF COMMENTS

None

Item 1C. CYBERSECURITY

Risk Management and Strategy

AVITA Medical has implemented an Information Security Management System (**"**ISMS**"**). The Company's ISMS is a continuous process designed to analyze the potential risks, vulnerabilities, the likeliness of occurrence and the related consequences of cybersecurity threats. The process is based on establishing the context, assessing the risks, and treating the risks. The key concept of the ISMS is to consistently maintain and improve confidentiality, integrity, and availability of information assets that should be protected by the organization on behalf of itself and its clients, and third parties. Once a risk, threat or vulnerability is identified, the Company establishes a risk treatment plan to take corrective action to prevent risks that can be avoided and minimize the ones that cannot. We engage an independent third-party cybersecurity services and consulting firm to continuously review our information security. We also conduct internal phishing campaigns and perform an independent penetration test on an annual basis. In addition, we conduct regular security awareness training and testing of our employees. The Company has not had any material cybersecurity incidents.

All related activities ISMC activities have been structured into a framework consisting of:

1. Context establishment - Established in accordance with the requirements of International Organization for Standardization 27001 and 27002 ("ISO 27001" and "ISO 27002"). The ISO 27001, Information security management systems, provides a framework and guidelines for establishing, implementing and managing an ISMS and ISO 27002, Information security controls, provides a reference set of generic information security controls including implementation guidance.
2. Risk Assessment - Relates to an evaluation and identification of risks, threats and vulnerabilities that exist or could exist, identifies the likelihood of occurrence and potential consequences. As part of the risk assessment management prioritizes the assessed risks from low to high based on likelihood and level of impact.
3. Risk Treatment – will detail the remediation process for risks, vulnerabilities and threats identified to reduce the risk to an acceptable level.
4. Risk Acceptance- The Company's risk assessment is evaluated from a Low (1) to a High (3) on the Impact the threat would have on the Company and its operations and the likelihood of occurrence. Threat ratings created from the Impact and probability calculations will result with a value from 1- 9.
    a. Low (1 – 2.99) = Risk level acceptable and no further action deemed necessary
    b. Medium (2 – 5.99) and High (6 - 9) – implement risk management to reduce the risk to an acceptable level
5. Risk Communications- Results of the risk assessment are communicated to appropriate level of management. Report includes the identified risk and vulnerability summaries. Updates will include treatment plans and status updates.
6. Risk Monitoring and Review -Continuously performed to evaluate any changes or the need for changes. The Company uses the Ontrack software solution ("Ontrack") to monitor and track all aspects of risk assessment. Ontrack also serves as tool to track any cybersecurity incidents and remediation tasks.

Disclosure of Management's Responsibility

The Company's Chief Financial Officer is primarily responsible for overseeing the Cybersecurity Risk Management Program and leading the Company's efforts to mitigate technology risks in partnership with various business leaders in the organization. For qualifications of the CFO refer to Item 10 of the form 10-K. We have protocols, policies and tools in place to mitigate cybersecurity risk. They also provide the administrative, technical, and physical safeguards to ensure the security, confidentiality, integrity and availability of confidential information and personal information from unauthorized access, use, disclosure, alteration, destruction or theft. In addition, we engage an independent third party annually to assess our IT general controls and IT security. Special focus is given to maintaining and improving our alignment with ISO 27001. Additionally, we have a cybersecurity incident response plan in place that provides a documented framework for handling high and low severity security incidents and facilitates coordination across

multiple parts of the business. We have engaged an external consultant to provide oversight and technical expertise to our ISMS process. Finally, cybersecurity is integrated into the Company's training as all employees are required to take security awareness training.

Disclosure of the Board's Responsibility

While management is primarily responsible for assessing and managing cybersecurity risks on a day-to-day basis, the Company's Board of Directors oversees management's efforts to assess and manage risk. The Board (in conjunction particularly with the Audit Committee) monitors the cybersecurity risk assessment and response process. The Audit Committee is briefed by our Chief Financial Officer on our cybersecurity ISMS program and the overall cybersecurity risk environment. The briefing may include discussions on topics such as: information security and technology risks, cybersecurity risk assessment process and updates, information risk management strategies, and progress on cybersecurity and data protection training initiatives for employees, among others.

Item 2. PROPERTIES

Our principal corporate office is located at 28159 Avenue Stanford, Suite 220, Valencia, California 91355. We lease the 17,500 square foot facility under a lease agreement that expires on October 31, 2026. Our production plant in Ventura, California is a 27,480 square foot facility that we lease through September 30, 2027 with the right to extend the lease, at our sole option, as a result of two, three-year options that allow us to extend the lease up to an additional six years in total. The Company also has an administrative office lease in Irvine, California of approximately 10,700 square feet that is currently leased through the end of July 2028. We do not own any real property. We believe that leased facilities are adequate to meet current needs and that additional facilities will, if required, be available for lease to meet future needs.

Item 3. LEGAL PROCEEDINGS

We are currently not aware of any material pending legal proceedings to which we are a party or of which any of our property is the subject, nor are we aware of any such proceedings that are contemplated by any governmental authority. From time to time, as an operating business, we are involved in routine disputes (both formal and informal) with customers, manufacturing partners and employees.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

The Company's common stock is quoted on the Nasdaq Capital Market under the ticker symbol "RCEL" and the Company's CDIs are quoted on the ASX under the ticker code "AVH". One share of common stock on Nasdaq is equivalent to five CDIs on the ASX.

Holders

As of January 31, 2024, the Company had approximately 4 unique stockholders of record of our common stock (which includes 20,497 holders of record of the Company's CDIs, with each representing 1/5 of a share of common stock, and CHESS Depositary Nominees Pty Ltd, holds the legal title to all of the outstanding common stock underlying the CDIs of the Company).

Dividends

We have never paid cash dividends to our stockholders or to the holders of ordinary shares in the former parent company, AVITA Australia. We intend to retain future earnings for use in our business and do not anticipate paying cash dividends on our common stock and CDIs in the foreseeable future. Any future dividend policy will be determined by our board of directors and will be based upon various factors, including our results of operations, financial condition, current and anticipated cash needs, future prospects, contractual restrictions and other factors as our board of directors may deem relevant.

Item 6. [Reserved]

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Objective

The purpose of this Management's Discussion and Analysis is to better allow our investors to understand and view our company from management's perspective. We are providing an overview of our business and strategy including a discussion of our financial condition and results of operations. The following discussion and analysis of our financial condition and results of operations for the years-ended December 31, 2023 and 2022, should be read in conjunction with our consolidated financial statements and related notes included in this Annual Report.

Overview

AVITA Medical is a commercial-stage regenerative medicine company transforming the standard of care for skin restoration with innovative devices and autologous cellular therapies. At the forefront of our portfolio is our patented and proprietary RECELL® System, approved by the United States Food & Drug Administration ("FDA") for the treatment of thermal burn wounds and full-thickness skin defects, and for repigmentation of stable depigmented vitiligo lesions. RECELL harnesses the regenerative properties of a patient's own skin to create an autologous skin cell suspension, Spray-On Skin™ Cells, delivering a transformative solution at the point of care. This breakthrough technology serves as the catalyst for a new treatment paradigm enabling improved clinical outcomes.

Our objective is to become the leading provider of regenerative medicine addressing unmet medical needs in burn injuries, full-thickness skin defects, and in skin repigmentation, such as vitiligo. To achieve this objective, we plan to:

- Become the standard of care in the U.S. burns industry by increasing RECELL System penetration in burn centers
- Continue to commercialize the RECELL System in the U.S. for treatment of full-thickness skin defects
- Expand our global presence within the European Union and Australia through the exclusive use of third-party distributors.
- Launch RECELL GO following FDA approval to increase market adoption, expand our customer base, and facilitate international commercialization
- Establish commercial payor coverage for the RECELL System in the U.S. for the repigmentation of stable depigmented vitiligo lesions, which we expect will begin during the fourth quarter of 2025
- Further invest in our RECELL System platform to automate and improve workflow, speed, and ease of use as it relates to specific indications, as well as to build upon our intellectual property estate
- Continue to build upon commercial activities in Japan through our partnership with COSMOTEC Company, Ltd with our current PMDA approval for RECELL with an indication in burns
- Develop and pursue viable commercial activities outside of the U.S. and Japan following the FDA approvals of the RECELL System for full-thickness skin defects and repigmentation of stable depigmented vitiligo lesions
- Pursue business development opportunities that are complementary to our core RECELL System indications and/or our targeted markets
- Improve our margins and profitability by leveraging our current team and infrastructure across an expanding base of business in burns and in future indications
- With the successful execution of the exclusive distribution agreement with Stedical Scientific, Inc., we will begin distribution of the PermeaDerm® Biosynthetic Wound Matrix in the United States using our existing sales force. Refer to Note 20 of our Consolidated Financial Statements for further details

Business Environment and Current Trends

Changes in reimbursement rates by third party payors may place additional financial pressure on hospitals and the broader healthcare system. Healthcare institutions may take actions to mitigate any persistent pressures on their budgets and such actions could impact the future demand for our products. Geopolitical conditions may also impact our operations. Although we do not have operations in Russia, Ukraine or in the Middle East, the continuation of the Russia-Ukraine military conflict and the conflict in the Middle East, and potential escalation of the conflicts beyond their current scope may further weaken the global economy and could result in additional inflationary pressures and supply chain constraints.

Results of Operations

Year-Ended December 31, 2023, compared to the Year-Ended December 31, 2022

The table below summarizes the results of our operations for each of the periods presented (in thousands).

Statement of Operations Data:	Year-Ended December 31, 2023	Year-Ended December 31, 2022	$ Change	% Change
Revenues	$ 50,143	$ 34,421	15,722	46%
Cost of sales	(7,780)	(6,041)	(1,739)	(29)%
Gross profit	42,363	28,380	13,983	49%
BARDA income	1,428	3,215	(1,787)	(56)%
Operating expenses:				
Sales and marketing	(37,291)	(21,913)	(15,378)	(70)%
General and administrative	(28,334)	(23,330)	(5,004)	(21)%
Research and development	(20,821)	(13,857)	(6,964)	(50)%
Total operating expenses	(86,446)	(59,100)	(27,346)	(46)%
Operating loss	(42,655)	(27,505)	(15,150)	(55)%
Interest expense	(1,143)	(16)	(1,127)	*nm
Other income, net	8,483	892	7,591	*nm
Loss before income taxes	(35,315)	(26,629)	(8,686)	(33)%
Income tax expense	(66)	(36)	(30)	(83)%
Net loss	$ (35,381)	$ (26,665)	(8,716)	(33)%

*nm = not meaningful

Total net revenues increased by 46%, or $15.7 million, to $50.1 million, compared to $34.4 million in the year-ended December 31, 2022. Our commercial revenue, which excludes BARDA revenue, was $49.8 million for the year-ended December 31, 2023, an increase of $15.8 million, or 46%, compared to $34 million in the year-ended December 31, 2022. The growth in commercial revenues was largely driven by deeper penetration within individual customer accounts and the full-thickness skin defects launch along with the commencement of commercial sales with our partner COSMOTEC in Japan.

Gross profit margin increased by 2% to 84.5% compared to 82.4% in the year-ended December 31, 2022. The increase in gross profit margin is largely driven by higher production along with lower shipping costs.

BARDA income consisted of funding from BARDA, under the Assistant Secretary for Preparedness and Response, within the U.S. Department of Health and Human Services, under ongoing USG Contract No. HHSO100201500028C. BARDA income decreased 56% or $1.8 million to $1.4 million, compared to $3.2 million in the year-ended December 31, 2022, due to reimbursable clinical trials winding down.

Total operating expenses increased by 46% or $27.3 million to $86.4 million, compared with $59.1 million in the year-ended December 31, 2022.

Sales and marketing expenses increased by 70%, or $15.4 million, to $37.3 million, compared to $21.9 million incurred in the year-ended December 31, 2022. Higher costs in the current year were primarily attributed to higher salaries and benefits, commissions, recruitment fees and travel costs. The increase in salaries and benefits and recruitment fees are due to the preparation of the commercial launch of full-thickness skin defects in June 2023. Higher commissions and travel costs were directly associated with the increase in revenues.

General and administrative expenses increased by 21%, or $5.0 million, to $28.3 million, compared to $23.3 million incurred in the year-ended December 31, 2022. The increase was attributable to salaries and benefits, deferred compensation expense, stock-based compensation, and severance costs. Higher salary and benefits are driven by the increase in headcount. The increase in deferred compensation expense is driven by our deferred compensation liability which generally tracks the movements in the stock market. Severance costs in the current year were due to the termination of three former executive officers, partially offset by the termination of a former executive officer in the prior year.

Research and development expenses increased by 50%, or $6.9 million, to $20.8 million, compared to $13.9 million incurred in the year-ended December 31, 2022. The increase was primarily due to higher clinical trial costs associated with the TONE study as well as other research and development costs associated with furthering our pipeline, and the development of the next generation

RECELL GO for preparation of Spray-On Skin Cells, which resulted in a PMA submission in June 2023. We also had increased expenses associated with building out a team of Medical Science Liaisons in support of the new full-thickness skin defects indication.

Interest expense increased by $1.1 million due to the new Credit Agreement entered into with OrbiMed Advisors, LLC on October 18, 2023.

Other income, net increased by $7.6 million in the current year primarily due to an increase of $2.1 million in income from our investment activities, wind down of certain foreign subsidiaries that resulted in a $9.4 million gain, partially offset by a loss on debt issuance of $1.2 million, debt issuance costs of $0.8 million and the change of fair value for our debt of $1.6 million and change in fair value of warrants for $0.7 million. We had an increase of approximately $2.1 million in interest income due to higher investment yields. By the end of the fourth quarter of 2023 the business activities of AVITA Medical Pty Limited, AVITA Medical Europe Limited, Visiomed Group Pty Ltd, C3 Operations Pty Ltd and Infamed Pty Ltd were essentially dissolved. As part of the liquidation the company recognized $9.4 million of non-cash foreign currency exchange gains associated with the elimination of the foreign subsidiaries. The gains were offset by expenses related to issuance of debt. We recognized approximately $1.2 million loss on debt issuance as the fair value of the debt and the warrants on the issuance date exceeded the proceeds received on October 18, 2023, the closing date. In addition, we incurred approximately $0.8 million in debt issuance costs. We also recognized $1.7 million and $0.7 million of non-cash charges due to the change in fair value of the debt and the warrant liability, respectively. As permitted under ASC 825, we elected the fair value option to account for the debt, and recorded the debt and warrants at fair value with changes in fair value recorded in the Consolidated Statements of Operations. Changes in fair value related to instrument specific credit risk for the debt are included in Other comprehensive income in the Consolidated Balance Sheet.

Net loss increased by $8.8 million, to $35.4 million, over the $26.7 million recognized in the year ended December 31, 2022. The increase in net loss was driven by the higher operating expenses, partially offset by higher revenues and the non-cash charges as described above.

Year-Ended December 31, 2022, compared to the Year-Ended December 31, 2021

The table below summarizes the results of our operations for each of the periods presented (in thousands).

Statement of Operations Data:	Year-Ended December 31, 2022	Year-Ended December 31, 2021	$ Change	% Change
Revenues	$ 34,421	$ 33,025	1,396	4%
Cost of sales	(6,041)	(6,104)	63	1%
Gross profit	28,380	26,921	1,459	5%
BARDA income	3,215	1,590	1,625	102%
Operating expenses:				
Sales and marketing	(21,913)	(16,267)	(5,646)	(35)%
General and administrative	(23,330)	(21,693)	(1,637)	(8)%
Research and development	(13,857)	(15,669)	1,812	12%
Total operating expenses	(59,100)	(53,629)	(5,471)	(10)%
Operating loss	(27,505)	(25,118)	(2,387)	(10)%
Interest expense	(16)	(29)	13	45%
Other income, net	892	47	845	*nm
Loss before income taxes	(26,629)	(25,100)	(1,529)	(6)%
Income tax expense	(36)	(42)	6	14%
Net loss	$ (26,665)	$ (25,142)	(1,523)	(6)%

*nm = not meaningful

Total net revenue increased by 4% or $1.4 million to $34.4 million, compared to $33.0 million in the year-ended December 31, 2021, which included $7.9 million from our delivery of units to managed inventory for BARDA (of the Office for the Assistant Secretary for Preparedness and Response) for emergency response preparedness. Total commercial revenue, which excludes BARDA revenue, increased by 36% or $9.0 million to $34.0 million in the year-ended December 31, 2022, compared to $25.1 million in the year-ended December 31, 2021. The growth in commercial revenues was largely driven by deeper penetration within individual customer accounts along with the commencement of commercial sales with our partner COSMOTEC in Japan.

Gross profit margin was 82% and relatively flat compared to the year-ended December 31, 2021.

BARDA income consisted of funding from BARDA, under the Assistant Secretary for Preparedness and Response, within the U.S. Department of Health and Human Services, under ongoing USG Contract No. HHSO100201500028C. Under the BARDA

contract, income of $3.2 million was recognized during the year-ended December 31, 2022, compared to income of $1.6 million for the year-ended December 31, 2021. BARDA income increased as a result of funding by BARDA for the pivotal trial for use of the RECELL System for soft tissue repair.

Total operating expenses increased by 10% or $5.5 million to $59.1 million, compared to $53.6 million in the year-ended December 31, 2021.

Sales and marketing expenses increased by 35%, or $5.6 million, to $21.9 million, compared to $16.3 million recognized in the year-ended December 31, 2021. Increased costs in the current year were primarily driven by higher selling costs, pre-commercialization costs and higher salaries and benefits. Higher selling costs are attributable to increased commissions due to increased revenue and higher costs for travel, hands-on professional education, and training. Increased pre-commercialization costs are driven by activities related to future RECELL launches in soft tissue repair and vitiligo. Higher salaries and benefits were primarily due to additional field personnel added to deepen penetration within individual customer accounts.

General and administrative expenses increased by 8%, or $1.6 million, to $23.3 million, compared to $21.7 million recognized in the year-ended December 31, 2021. The increase was primarily driven by higher salaries and benefits and share-based compensation expenses. Higher salaries and benefits costs were due to the expansion of our workforce to support overall operations along with severance costs associated with the termination of a former executive officer. Higher share-based compensation expense was due to the new equity grants in the current period, partially offset by the reversal of expense for unvested awards related to the termination of a former executive officer in the current year.

Research and development expenses decreased by 12%, or $1.8 million, to $13.9 million, compared to $15.7 million recognized in the year-ended December 31, 2021. Research and development costs were lower due to the following: pediatric burn study was closed for enrollment, soft tissue repair and vitiligo trial participants were in less costly follow-up phases this period compared to more costly recruitment and treatment phases in the prior period, and lower expense for sponsored research toward pipeline development in the current period. This is partially offset by higher development expenses in the current year from ongoing development of next generation devices for preparation of Spray-On Skin™ Cells as compared to the prior year due to early prototype development and testing.

Net loss increased by 6%, or $1.5 million, to $26.7 million, over the $25.1 million recognized in the year-ended December 31, 2021. The increase in net loss was driven by higher operating expenses as described above, partially offset by higher revenue.

Liquidity and Capital Resources

Overview

We expect to utilize cash reserves until U.S. sales of our products reach a level sufficient to fund ongoing operations. AVITA Medical has funded its research and development activities, and more recently its substantial investment in sales and marketing activities, through raising capital by issuing securities and the issuance of debt. As of December 31, 2023, the Company had approximately $22.1 million in cash and cash equivalents and $66.9 million in marketable securities.

On October 18, 2023 (the “Closing Date”), the Company entered into a Credit Agreement (the “Credit Agreement”), by and between the Company, as borrower, and an affiliate of OrbiMed Advisors, LLC, as the lender and administrative agent (the “Lender”). The Credit Agreement provides for a five-year senior secured credit facility in an aggregate principal amount of up to $90.0 million (the “Loan Facility”), of which $40.0 million was borrowed on the Closing Date (the “Initial Commitment Amount”). In addition, an aggregate of $50.0 million will be made available in two separate $25.0 million tranches, at the Company’s discretion, subject to certain net revenue requirements. The first tranche of $25.0 million will be made available on or before December 31, 2024. The second tranche of $25.0 million will be made available on or prior to June 30, 2025, only if the first tranche was drawn upon. On the Closing Date, the Company closed on the Initial Commitment Amount, less certain fees and expenses payable to or on behalf of the Lender. The indebtedness under the Credit Agreement will be secured by substantially all of our assets and will accrue interest at a rate equal to the greater of (a) forward-looking one-month term SOFR rate and (b) four percent (4%) per annum, plus eight percent (8%). In the event that the Company does not meet certain twelve-month trailing revenue targets at the end of certain fiscal quarters, the outstanding balance of the loan must be repaid in equal quarterly installments of 5% of the funded amount through the maturity date. The Credit Agreement contains representations, warranties and covenants that are customary for this type of agreement.

On the Closing Date, we issued to an affiliate of the Lender a warrant (the “Warrant”) to purchase up to 409,661 shares of our common stock, at an exercise price of $10.9847 per share, with a term of 10 years from the issuance date. The Warrant contains customary share adjustment provisions, as well as weighted average price protection in certain circumstances.

As of the date these financial statements were issued, we believe we have sufficient cash reserves to fund operations for the next 12 months.

Financing Activities

On April 14, 2023, we entered into a Sales Agreement with Cowen and Company, LLC pursuant to which the Company may sell from time-to-time up to 3,799,164 shares of its common stock (the "2023 ATM Program"). During the year-ended December 31, 2023, we did not make any sales under the 2023 ATM Program.

On October 18, 2023, as discussed above, we completed a Credit Agreement with the Lender for an aggregate amount up to $90.0 million. On the closing date of the agreement we drew $40.0 million.

On October 18, 2023, as discussed above, we issued to an affiliate of the Lender a warrant to purchase up to 409,661 shares of our common stock, at an exercise price of $10.9847 per share, with a term of 10 years from the issuance date.

Given the above, we believe there is presently sufficient working capital to support our committed activities, our research and development programs and other activities over the next twelve months.

The following table summarizes our cash flows for the periods presented:

	Year-Ended	
(In thousands)	**December 31, 2023**	**December 31, 2022**
Net cash used in operations	$ (38,011)	$ (19,090)
Net cash provided by/(used in) investing activities	1,607	(19,332)
Net cash provided by financing activities	40,374	900
Effect of foreign exchange rate on cash and cash equivalents	(16)	(26)
Net increase/(decrease) in cash and cash equivalents	3,954	(37,548)
Cash and cash equivalents at beginning of the period	18,164	55,712
Cash and cash equivalents at end of the period	22,118	18,164

Net cash used in operating activities was $38.0 million during the year-ended December 31, 2023, and $19.1 million during the year-ended December 31, 2022. The increase primarily resulted from higher operating costs, partially offset by increased revenues.

Net cash provided in investing activities was $1.6 million during the year-ended December 31, 2023 and cash used in investing activities was $19.3 million during the during the year-ended December 31, 2022. Cash flows provided by investing activities were primarily attributable to maturities of marketable securities. Cash flows used in investing activities for the year-ended December 31, 2022 is primarily attributable to purchase of marketable securities.

Net cash provided by financing activities was $40.4 million and $0.9 million for the years-ended December 31, 2023 and 2022, respectively. The increase in cash provided by financing activities was due to the issuance debt.

Capital Management and Material Cash Requirements

We aim to manage capital to maintain optimal returns to stockholders and benefits for other stakeholders. We also aim to maintain a capital structure that ensures the lowest cost of capital available to us. We regularly review our capital structure and seek to take advantage of available opportunities to improve outcomes for us and our stockholders.

For the year-ended December 31, 2023, there were no dividends paid and we have no plans to commence the payment of dividends. We have no purchase commitments or long-term contractual obligations, except for lease obligations as of December 31, 2023. Refer to Note 7 of our Consolidated Financial Statements for further details on our lease obligations. In addition, we have no off-balance sheet arrangements (as defined in the rules and regulations of the SEC) that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors. We have no committed plans to issue further shares on the market but will continue to assess market conditions.

Critical Accounting Policies and Estimates

The SEC defines "critical accounting policies" as those that require the application of management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods.

The preparation of consolidated financial statements in conformity with U.S. Generally Accepted Accounting Practices, or U.S. GAAP, requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We base those estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

The following listing is not intended to be a comprehensive list of all of our accounting policies. Our significant accounting policies are described in Note 2 to our consolidated financial statements contained elsewhere in this Annual Report. In many cases, the accounting treatment of a particular transaction is dictated by U.S. GAAP, with no need for our judgment in its application. There are also areas in which our judgment in selecting an available alternative would not produce a materially different result. We have identified the following as our critical accounting policies.

Revenue Recognition

We recognize revenue when its customers obtain control of promised goods or services, in an amount that reflects the consideration which we expect to be entitled in exchange for those goods or services.

To determine revenue recognition for arrangements that are within the scope of Topic 606, *Revenue from contracts with customers*, ("ASC 606"), we perform the following five steps:

1. Identify the contract with a customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognize revenue when/as performance obligation(s) are satisfied

In order for an arrangement to be considered a contract, it must be probable that we will collect the consideration to which it is entitled for goods or services to be transferred. Once the contract is determined to be within the scope of ASC 606, we assess the goods or services promised with each contract, determines whether those are performance obligations and the related transaction price. We then recognize the sale of goods based on the transaction price that is allocated to the respective performance obligation when the performance obligation is satisfied.

Our revenue consists primarily of the sale of the RECELL System to hospitals or other treatment centers, COSMOTEC and to BARDA (collectively, "customers"), predominately in the United States. We evaluated the BARDA contract and concluded that a portion of the arrangement, such as the procurement of the RECELL system and the emergency preparedness, represents a transaction with a customer and as such are in the scope of ASC 606. Amounts received from BARDA for the research and development of the our product are classified as BARDA income in the Consolidated Statement of Operations and are accounted for under IAS 20. For further details refer to BARDA Income and Receivables below.

Revenues for commercial customers (COSMOTEC, hospitals and treatment centers) are recognized as control of the product is transferred to customers, at an amount that reflects the consideration expected to be received in exchange for the product. Revenues are recognized net of volume discounts. As such, revenue is recognized only to the extent a significant reversal of revenues is not expected to occur in subsequent periods. For our contracts that have an original duration of one year or less, we used the practical expedient applicable to such contracts and does not consider the time value of money. Further, because of the short duration of these contracts, we have not disclosed the transaction price for the remaining performance obligations as of each reporting period or when we expect to recognize this revenue. We have further applied the practical expedient to exclude sales tax in the transaction price and expense contract acquisition costs such as commissions and shipping and handling expenses as incurred.

For revenues related to the BARDA contract within the scope of ASC 606, we identified two performance obligations (i) the procurement of 5,614 RECELL units, (ii) emergency preparedness services. Through this contract we promise to procure the product through a vendor management inventory arrangement and to stand ready to provide emergency deployment services related to the product. Emergency preparedness services include procuring necessary storage containers, housing, and maintaining the containers (and product), and providing shipping and handling services in the event of an emergency situation. This stand ready obligation is a

series of distinct services that are substantially the same and have the same pattern of transfer to the customer, overtime as services are consumed.

The total transaction price for the portion of the BARDA contract that is within the scope of ASC 606, was determined to be $9.2 million at contract inception. The transaction price was allocated on a stand-alone selling price basis as follows: $7.6 million to the procurement of the RECELL product, which is classified as revenues when recognized in the Consolidated Statement of Operations and $1.6 million to the emergency deployment services is classified as revenues when recognized in the Consolidated Statement of Operations. The $1.6 million for emergency deployment includes variable consideration which is deemed immaterial to the contract as a whole. We estimated the stand-alone selling price of the procurement of the RECELL product based on historical pricing of our product at the initial execution of the contract. We estimated the stand-alone selling price of the emergency deployment services performed based on our projected cost of providing the services plus an applicable profit margin as denoted in the contract.

Our performance obligations are either satisfied at a point in time or over time as services are provided. The product procurement performance obligation is satisfied at a point in time, upon transfer of control of the product. As such, the related revenue for these performance obligations is recognized at a point in time as revenue within our Consolidated Statement of Operations. In addition to guidance under ASC 606, we recognize revenue from the sales of RECELL product to BARDA for placement into vaccine stockpiles in accordance with Securities and Exchange Commission ("SEC") Interpretation, Commission Guidance regarding Accounting for Sale of Vaccines and BioTerror Countermeasures to the Federal Government for Placement into the Pediatric Vaccine Stockpile or the Strategic National Stockpile (SNS). Under this guidance, revenue is recognized when product is placed in the BARDA vendor-managed inventory ("VMI") as control of the product has been transferred to the customer at the time of delivery to the VMI. RECELL units that have been delivered to BARDA have a product replacement obligation at no cost to BARDA due to product's limited shelf-life. The estimated cost of the expired inventory over the term of the contract is accrued on a per unit basis at the time of delivery. The liability is released upon replacement of the product along with a corresponding reduction to inventory. The emergency preparedness services performance obligation is satisfied over time. Revenue for the emergency deployment will be recognized on a straight-line basis during the term of the contract as services are consumed over time. Services recognized are included in sales within the Consolidated Statement of Operations. Contract costs to fulfil the performance obligation are incremental and expected to be recovered are capitalized and amortized on a straight-line basis over the term of the contract. Contract costs are included in other long-term assets.

See Note 5 to our Consolidated Financial Statements included in this Annual Report for additional detail on revenue recognition.

Government Grants / BARDA Income and Receivables

We were granted a BARDA contract in September 2015, wherein BARDA provided funding to us to support the ongoing U.S. clinical regulatory program towards FDA premarket approval, Compassionate Use program, clinical and health economics research, and U.S. pediatric burn programs.

Income under the BARDA contract is earned under a cost-plus-fixed-fee arrangement in which we are reimbursed for direct costs incurred plus allowable indirect costs and a fixed-fee earned. Billings under the contracts are based on approved provisional indirect billing rates, which permit recovery of fringe benefits, general and administrative expenses and a fixed fee.

We have concluded that grants are not within the scope of ASC 606, as they do not meet the definition of a contract with a "customer". We have further concluded that Subtopic 958-605, Not-for-Profit-Entities-Revenue Recognition also does not apply, as the Company is a business entity, and the grants are with governmental agencies. Government grants and related receivables are recognized when there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, the fair value is credited to deferred income and is released to the profit or loss over the expected useful life of the relevant asset by equal annual installments.

Share-Based Compensation

We measure and recognize compensation expense on a graded-vesting method, for stock options and restricted stock units ("RSUs"), to employees, directors and consultants over the vesting period based on their grant date fair values. Compensation expense for performance-based awards is measured based on the number of shares ultimately expected to vest, estimated at each reporting date based on management's expectations regarding the relevant performance criteria. We estimate the fair value of stock options on the date of grant using the Black-Scholes option pricing model. The fair value of RSUs is based on the closing stock price as determined per Nasdaq at the date of grant.

Determining the estimated fair value at the grant date requires judgment in determining the appropriate valuation model and assumptions, including, risk-free rate, volatility rate, annual dividend yield and the expected term.

The following assumptions were used in the valuation of stock options.

- Expected volatility – determined using the historical volatility using daily intervals over the expected term.
- Expected dividends – None, based on the fact that we have never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.
- Expected term – the expected term of our stock options for tenure only vesting has been determined utilizing the "simplified" method as described in the SEC's Staff Accounting Bulletin No. 107 relating to stock-based compensation. The simplified method was chosen because the we have limited historical option exercise experience due to its short operating history of awards granted, the first plan was established in 2016 and was primarily used for Executives awards. Further, we do not have sufficient history of exercises in the U.S. market given our redomiciliation from Australia to the United States in 2020.
- Risk-free interest rate – the risk-free interest rate is based on the U.S. Treasury yield in effect at the time of grant for a period approximately equal to the expected term of the award.

See Note 15 to our Consolidated Financial Statements included in this Annual Report for additional detail on share-based compensation.

Warrants

Warrants are accounted for in accordance with applicable accounting guidance provided in ASC Topic 815*, Derivatives and Hedging – Contracts in Entity's Own Equity ("*ASC 815*")*, as a liability based on the specific terms of the warrant agreement and recorded at fair value. The warrants are subject to re-measurement at each settlement date and at each balance sheet date and any change in fair value is recognized in earnings. The fair value of the warrant liability, which is reported within Warrant liability on the Consolidated Balance Sheets, is estimated by the Company based on the Black-Scholes option pricing model with the following inputs (Level 3):

- Price of common stock
- Estimated expected term
- Estimated exercise price
- Estimated expected volatility
- Estimated risk free interest rate
- Estimated expected dividend rate

Long-term debt

We elected the fair value option ("FVO") of accounting under ASC 825-10*, Financial Instruments ("ASC 825"),* to account for the debt. ASC 825-10, provides FVO election that allows companies an irrevocable election to use fair value at the date of issuance and subsequently remeasure every reporting period. The fair value of the debt is reported in the Consolidated Balance Sheets. Changes in fair value are reported in earnings in Other income in the Consolidated Statements of Operations. Any changes in fair value caused by instrument-specific credit risk are presented separately in other comprehensive income. We have elected to present interest expense separately from changes in fair value and therefore will present interest expense associated with the debt. All costs associated with the issuance of the Credit Agreement accounted for using the fair value option were expensed upon issuance. Refer to Note 6 for further details.

The fair value of the debt was determined using a Monte Carlo simulation in order to capture the probability of different potential cash flows outcomes associated with the contractual terms of the instrument. The below assumptions were used in the Monte Carlo simulation (Level 3):

- Estimated risk free interest rate
- Estimated revenue volatility
- Estimated revenue discount rate
- Estimated future revenue projection

- Estimated expected dividend rate

Income Taxes

Income taxes are accounted for using the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that a portion of the deferred tax asset will not be realized.

We review our uncertain tax positions regularly. An uncertain tax position represents our expected treatment of a tax position taken in a filed return or planned to be taken in a future tax return or claim that has not been reflected in measuring income tax expense for financial reporting purposes. We recognize the tax benefit from an uncertain tax position when it is more-likely-than-not that the position will be sustained upon examination on the basis of the technical merits or the statute of limitations for the relevant taxing authority to examine and challenge the tax position has expired.

See Note 16 to our Consolidated Financial Statements included in this Annual Report for additional detail on income taxes.

Recent accounting pronouncements

See discussion of recent accounting pronouncements in Note 2 of the Consolidated Financial Statements located in Item 8 in this Annual Report.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide the information required by this item.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our financial statements and supplementary data are attached hereto beginning on Page F-1 and are incorporated by reference herein.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its chief executive officer and chief financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. As required by Rules 13a-15(b) and 15d-15(b) under the Exchange Act, our management, with the participation of our chief executive officer and chief financial officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures as of December 31, 2023. Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of December 31, 2023.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for our company, as this term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. As required by Rules 13a-15(e) and 15d-15(e) under the Exchange Act, our management, with the participation of our chief executive officer and chief financial officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2023, based on the criteria set forth in the Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2023.

This report does not include an attestation report of our independent registered public accounting firm regarding our internal control over financial reporting, in accordance with applicable SEC rules that permit us to provide only management's report in this report.

Changes in Internal Control over Financial Reporting

During the three-months ended December 31, 2023, there were no material changes made in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act).

Inherent Limitations on Disclosure Controls and Procedures

Management recognizes that any controls and procedures, no matter how well-designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the benefits of possible controls and procedures relative to their costs. Because of these inherent limitations, our disclosure controls and procedures may not prevent or detect all instances of fraud, misstatements, or other control issues. In addition, projections of any evaluation of the effectiveness of disclosure or internal controls to future periods are subject to risks, including, among others, that controls may become inadequate because of changes in conditions or that the degree of compliance with policies or procedures may deteriorate.

Item 9B. OTHER INFORMATION

None

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Identification of Directors

Name	Age	Position with the Company and Principal Occupation	Director Since	Board Term Expires
Lou Panaccio	66	Chairman of the Board of Directors	July 2014	June 2024
Jeremy Curnock Cook	74	Non-Executive Director	October 2012	June 2024
Professor Suzanne Crowe	73	Non-Executive Director	January 2016	June 2024
Jan Stern Reed	64	Non-Executive Director	July 2021	June 2024
Robert McNamara	67	Non-Executive Director	June 2023	June 2024
Cary Vance	58	Non-Executive Director	June 2023	June 2024
James Corbett	65	Executive Director and Chief Executive Officer	July 2021	June 2024

Lou Panaccio has served as Chairman of the Board of Directors since July 2014. Mr. Panaccio is a successful healthcare businessman with extensive experience leading companies from concept to commercialization. Mr. Panaccio possesses more than 35 years of executive leadership experience in healthcare services and life sciences, including more than 25 years of board-level experience. Mr. Panaccio is currently a Director of ASX50 company and one of the world's largest medical diagnostics companies, Sonic Healthcare Limited, where he has served since 2005. In addition, Mr. Panaccio is Director of Unison Housing Limited, was a Chairman of Genera Biosystems Limited until June 2019, is a Chairman of Adherium Limited and a Director of Rhythm Biosciences Limited, both of which are publicly listed (ASX) development-stage medical diagnostics/devices companies. We believe Mr. Panaccio is qualified to serve on our Board of Directors based on his extensive experience in the healthcare services and life sciences sectors and his experience in serving on boards.

Jeremy Curnock Cook has served as a Director since October 2012. He is a veteran in the life sciences/healthcare industry and has been actively supporting the commercialization of healthcare innovations and helping entrepreneurs build their international businesses over the past 45 years. Founder and Managing Director of BioScience Managers, Mr. Curnock Cook brings his decades of international experience to our Board of Directors. Over his career, Mr. Curnock Cook has successfully managed in excess of US $1 billion in equity investments. He launched the first dedicated biotechnology fund for the Australian market and is a former head of the life science private equity team at Rothschild Asset Management, an early pioneer and significant investor in the sector. In his early career he founded the International Biochemicals Group which he successfully sold to Royal Dutch Shell. Mr. Curnock Cook founded a European-focused seed fund with Johnson & Johnson and built the International Biotechnology Trust. Mr. Curnock Cook has served on more than 40 boards of directors in the life science sector in the UK, Europe, USA, Canada, Japan and Australia. In addition to serving on our Board of Directors, Mr. Curnock Cook currently serves on the following boards: International BioScience Managers Ltd appointed March 2000, Bioscience Managers Pty Ltd appointed January 2003, REX Bionics Pty Ltd appointed February 2012, Sheldon LTD (formerly Sea Dragon) appointed October 2012, Adherium Ltd appointed April 2015, Bioscience Managers UK Ltd appointed August 2017, Marine Department Ltd, appointed January 2019, JLCC Ltd appointed December 2019, Tidal Sense LTD (formally CRiL) appointed November 2020 and Humanetix Ltd appointed September 2021. We believe Mr. Curnock Cook is qualified to serve on our Board of Directors based on his extensive experience in the life sciences sector.

Professor Suzanne Crowe AO has served as a Director since January 2016. Australian-based, she is a physician-scientist and ASX/Nasdaq-listed company director with expertise in supporting companies with their medical and scientific strategies. A Fellow of the Australian Institute of Company Directors, and Emeritus Professor, Monash University Melbourne, she is currently a Director of Sonic Healthcare Ltd, a large global medical diagnostics company. Past board positions include St Vincent's Health Australia Ltd (2012-2021), the country's largest not-for-profit health and aged care provider. After 35 years at both, she has recently retired from the Burnet Institute, having served as Associate Director Clinical Research, and The Alfred Hospital Melbourne, where she held the appointment of Senior Specialist Physician in Infectious Diseases. She was appointed as Officer of the Order of Australia in June 2020 in recognition of her distinguished services to health, clinical governance, biomedical research, and education. We believe Professor Crowe is qualified to serve on our Board of Directors based on her technical experience and extensive expertise in supporting companies with their medical and scientific strategies.

Jan Stern Reed has served as a Director since July 2021. She has more than 35 years of legal, management and business leadership experience primarily within the healthcare industry, and brings significant expertise in corporate governance, compliance, and risk management. Ms. Reed served as Senior Vice President, General Counsel and Corporate Secretary at Walgreens Boots Alliance, Inc., a global health and wellbeing company. Prior to Walgreens, Ms. Reed was Executive Vice President, Human Resources, General Counsel and Corporate Secretary of Solo Cup Company, where she was responsible for the legal, human resources, internal audit, corporate communications, and compliance functions. Prior to Solo Cup Company, she was Associate

General Counsel, Corporate Secretary and Chief Corporate Governance Officer at Baxter International, Inc. Ms. Reed holds a Bachelor of Arts degree from the University of Michigan and a Juris Doctor from the Northwestern University Pritzker School of Law. Ms. Reed currently serves as a board member of Stepan Co. (NYSE: SCL), a major manufacturer of specialty and intermediate chemicals used in a broad range of industries, and AngioDynamics, Inc. (NASDAQ: ANGO), an industry-leading and transformative medical technology company focused on restoring healthy blood flow in the body's vascular system, expanding cancer treatment options, and improving quality of life for patients. We believe Ms. Reed is qualified to serve on our Board of Directors based on her extensive experience in legal, human resources, corporate governance, general management and business leadership, primarily within the healthcare industry.

Robert McNamara has served as a Director since April 2023. He is an accomplished senior executive with over 25 years of leadership experience in public and privately held companies in the medical device and technology industries. His extensive experience in operations and financial management spans across early stage, high growth, and mature companies. He is currently a member of the Board of Directors and Chair of Audit Committee for Axonics, Inc. Additionally, Mr. McNamara is a member of the Board of Directors and Chair of Compensation Committee for Xtant Medical Holdings. Prior to these appointments, Mr. McNamara served as Executive Vice President, Chief Financial Officer of LDR Holding/Spine. Prior to this role, he served as the Chief Financial Officer of three publicly traded medical device companies including Accuray, Somnus Medical Technologies, and Target Therapeutics. Mr. McNamara holds a Bachelor of Science in Accounting from the University of San Francisco and an MBA from The Wharton School, University of Pennsylvania. We believe Mr. McNamara is qualified to serve on our Board of Directors because of his experience with financial management and other requirements of U.S. public and private companies, and considerable expertise in the medical device and technology industries.

Cary Vance has served as a Director since April 2023. Mr. Vance has over 25 years of extensive leadership experience with commercial and operational expertise in the healthcare industry. He is currently the President and Chief Executive Officer of PhotoniCare, Inc., a position he has held since May 2023. Prior to this appointment, he was President and CEO of Titan Medical, and he continues to serve as an independent director for Titan Medical's Board of Directors. Previously, Mr. Vance served as President and CEO of XCath, a privately held neurovascular robotics company, having also served in similar roles at OptiScan Biomedical, Myoscience, and Hansen Medical. He strategically transformed and commercialized these businesses and markets with disruptive, enabling, and game-changing novel technologies. Mr. Vance has also executed on equity and debt financing strategies as an integral step to successful value creation and M&A events. Prior to his role at Hansen Medical, he served in various global executive leadership roles at Teleflex, Covidien, and GE HealthCare. Mr. Vance is Lean/Six Sigma Black Belt Certified, NACD Certified, and holds both a Bachelor of Arts degree in Economics and an MBA from Marquette University. We believe Mr. Vance is qualified to serve on our Board of Directors based on his leadership experience and extensive expertise in commercial and operations in the healthcare industry.

James Corbett was appointed as President and CEO of the Company effective as of September 28, 2022. Mr. Corbett served as a Non-Executive Director from July 2021 to September 28, 2022. He has approximately 40 years of leadership experience in the medical device field, most recently, as CEO of CathWorks Ltd., a software-based medical technology company. Mr. Corbett has extensive global commercial and operating experience, serving as an expatriate General Manager of Baxter Japan and later as General Manager and President of Scimed Life Systems Inc. and Boston Scientific International respectively. During his career he has served as CEO of three publicly listed companies; Microtherapeutics Inc (MTIX), ev3 Inc (evvv), Alphatec Spine (ATEC). Mr. Corbett has also led two privately funded companies as CEO: Home Diagnostics Inc. and Vertos Medical. Mr. Corbett has extensive capital market and governance experience from both public and private environments. Mr. Corbett holds a Bachelor of Science in Business Administration from the University of Kansas. Mr. Corbett is a board member of two privately held medical device companies. We believe Mr. Corbett is qualified to serve on our board of directors based on his global commercial and operating expertise in supporting companies with their medical and scientific strategies.

Identification of Named Executive Officers

Name	Age	Position	Date First Elected or Appointed
James Corbett	65	Chief Executive Officer	September 2022
David O'Toole	65	Chief Financial Officer	June 2023
Donna Shiroma	61	General Counsel	June 2018

James Corbett is discussed above under "Identification of Directors".

David O'Toole an accomplished financial executive with extensive experience in both public company operations and capital markets, Mr. O'Toole joined AVITA Medical in 2023 as its Chief Financial Officer. Mr. O'Toole most recently served as CFO of Opiant Pharmaceuticals, a biopharmaceutical company developing treatments for addiction and drug overdose, which was acquired

by Indivior in March of 2023. Prior to that, he served as CFO of Soleno Therapeutics, a company focused on the development and commercialization of novel therapeutics for the treatment of rare diseases. Prior to Soleno, Mr. O'Toole held the role of CFO for three publicly traded life sciences companies where he built and led high-performance teams. Prior to his CFO experience, he spent over 24 years in public accounting, including 16 years with Deloitte & Touche. He holds a Bachelor of Science in accounting from the University of Arizona and is a Certified Public Accountant (non-active).

Donna Shiroma has served as General Counsel, Chief Compliance Officer, and Corporate Secretary since June 2018. Ms. Shiroma has more than 20 years of legal and compliance experience in the pharmaceutical and medical device industries and has played an instrumental role in transitioning companies from clinical to commercial entities. Prior to joining the Company, she served in roles of increasing responsibility as corporate counsel, vice president of legal, chief privacy officer, chief compliance officer, chief commercial officer and general counsel. Her prior professional experiences are with: Astex Pharmaceuticals from 2017 to 2018, Ascend Therapeutics from 2008 to 2017, PDL BioPharma from 2006 to 2008, and several Johnson & Johnson companies from 2001 to 2006. Ms. Shiroma holds a B.S. in Environmental Sciences from University of California, Berkeley, and a Juris Doctor degree from Santa Clara University School of Law. She is licensed in the State of California as an attorney.

Term of Office

Our Directors are elected for a term of one year and until their respective successors are elected and qualified, or until their earlier resignation, disqualification, or removal. Our executive officers are appointed by our Board of Directors and hold office for such terms as may be prescribed by our Board of Directors and until their successors are appointed, or until their earlier resignation or removal.

Family Relationships

There are no family relationships between our Directors or executive officers.

Involvement in Certain Legal Proceedings

None of our Directors or executive officers has been involved in any of the following events during the past ten years:

a) any bankruptcy petition filed by or against any business or property of such person or any partnership or business in which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

b) any conviction in a criminal proceeding or being a named subject of a pending criminal proceeding (excluding traffic violations and other minor offences);

c) being the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities or banking activities;

d) being found by a court of competent jurisdiction (in a civil action), the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;

e) being the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of: (i) any federal or state securities or commodities law or regulation; or (ii) any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease- and-desist order, or removal or prohibition order; or (iii) any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

f) being the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as defined in Section 1(a)(40) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Gender Diversity

Under the 4th Edition of the ASX's Corporate Governance Principles and Recommendations the Company is required to set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally. As of the date of this Form 10-K, the Company's Directors of the Company are 28.5% female and 71.5% male.

The Company is also in the process of developing measurable objectives for achieving gender diversity in the composition of its senior executives and workforce generally in accordance with its Code of Ethics and Business Conduct. The Company will disclose its measurable objectives, the time period for achieving those objectives and the Company's progress towards achieving those objectives in future reporting periods.

Performance Evaluations

At least annually, the Nominating and Corporate Governance Committee will lead the Board of Directors in a self-evaluation to determine whether the board, its committees and individual directors are functioning effectively. The board completed its last self-evaluation during the fiscal year-ended December 31, 2023.

Additionally, the Nominating and Corporate Governance Committee, Compensation Committee and Audit Committee conduct an annual evaluation of each Board committee as it relates to the composition of each committee, the frequency and length of meetings, each committees primary responsibilities, and the effectiveness of the each of the committee's duties. The Nominating and Corporate Governance Committee and Compensation Committee completed its self-evaluation during the fiscal year-ended December 31, 2023

The Company's Compensation Committee undertakes a review of the performance of the Company's CEO and the executive management team annually during the first quarter of the calendar year. While no performance evaluation for the fiscal year-ended December 31, 2022 took place in 2023, the Company's Compensation Committee completed a performance evaluation for the fiscal year-ended December 31, 2023 on or around January 3, 2024.

Code of Ethics

We have adopted a Code of Conduct, or the Code, that constitutes a "code of ethics" as that term is defined in paragraph (b) of Item 406 of Regulation S-K and that applies to our executive officers, non-executive Directors, management and employees of the Company. A copy of the Code is available on our website at www.avitamedical.com.

If we make any amendments to the Code or grant any waivers, including any implicit waiver, from a provision of the Code, we will disclose the nature of such amendment or waiver on our website. The information on our website is not incorporated by reference into this Annual Report.

Section 16(a) Beneficial ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act requires the Company's Directors and certain of its executive officers and persons who beneficially own more than 10% of the Company's common shares to file reports of and changes in ownership with the SEC. Based solely on the Company's review of copies of SEC filings it has received or filed, the Company believes that each of its Directors, executive officers, and beneficial owners of more than 10% of the shares satisfied the Section 16(a) filing requirements during the fiscal year-ended December 31, 2023.

Election of Directors

Our Board of Directors consists of seven members. Directors are elected at our annual general meeting of stockholders and hold office for a term of one year and until their successors have been elected and qualified or until the earlier of their resignation or removal. Our Directors were most recently elected at our 2023 annual general meeting on June 6, 2023, to hold office for a term of one year or until his or her successor is duly elected and qualified. Any newly created directorship or any vacancy occurring on our Board of Directors may be filled only by a majority of the remaining members of our Board, even if such majority is less than a quorum, and each Director so elected shall hold office until the expiration of the term of office of the Director whom he or she has replaced or until his or her successor is elected and qualified. Under ASX Listing Rule 14.4, any Directors of the Company (except a managing Director) must not hold office without re-election past the third annual general meeting following the Director's appointment or three years, whichever is longer.

Stockholder Nominees for Director

There have been no material changes to the procedures by which stockholders may recommend nominees to the Board of Directors.

Committees of the Board of Directors

Our Board of Directors has established an audit committee, a compensation committee, and a nominating and corporate governance committee, each of which operates pursuant to a written charter adopted by our Board of Directors. Our Board of Directors may also establish other committees from time to time to assist the Board of Directors. The composition and functioning of all of our committees comply with all applicable requirements of the Sarbanes-Oxley Act, Nasdaq and SEC rules and regulations and the ASX Listing Rules and also align with the ASX Corporate Governance Council's 4th Edition Corporate Governance Principles and Recommendations. Each committee has a charter, which is available on our website at www.avitamedical.com. As of the date of this report, the composition of our audit, compensation, and nominating and corporate governance committees were as follows:

Director	Independent	Compensation Committee	Audit Committee	Nominating and Corporate Governance Committee
Lou Panaccio	X	Member	Member	
Jeremy Curnock Cook	X	Member		Member
Professor Suzanne Crowe	X	Member		Member
Jan Stern Reed	X	Member	Member	Chair
Robert McNamara	X		Chair	Member
Cary Vance	X	Chair	Member	

Audit Committee

Nasdaq Marketplace Rules require us to establish an audit committee comprised of at least three members, each of whom is financially literate and satisfies the respective "independence" requirements of the SEC and Nasdaq and one of whom has accounting or related financial management expertise at senior levels within a company. In addition, the ASX Listing Rules and the 4th Edition of the ASX's Corporate Governance Principles and Recommendations require us to have an Audit Committee comprised of at least three members, all of whom are non-executive Directors and a majority of whom are "independent" Directors, and which is chaired by an independent Director who is not the chair of the Board.

We have a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. Our Audit Committee assists our Board of Directors in overseeing the accounting and financial reporting processes of our company and audits of our financial statements, including the integrity of our financial statements, compliance with legal and regulatory requirements, our registered public accounting firm's qualifications and independence, and such other duties as may be directed by our Board of Directors. The Audit Committee is also required to assess risk management in conjunction with the Board of Directors.

Our Audit Committee currently consists of four Board members, each of whom satisfies the "independence" requirements of the SEC, Nasdaq Marketplace Rules, the ASX Listing Rules and the 4th Edition of the ASX's Corporate Governance Principles and Recommendations. Our Audit Committee is currently composed of Robert McNamara, Lou Panaccio, Cary Vance and Jan Stern Reed. Each qualifies as an "independent director" within the meaning of Nasdaq Marketplace Rules and the 4th Edition of the ASX's Corporate Governance Principles and Recommendations. Mr. Curnock-Cook was interim, Chairman of the Audit Committee from September 2022 through April 2023. Mr. Robert McNamara is the current Audit Committee Chair and was appointed to that role as of May 2023, following his appointment to the Board of Directors. Our Board of Directors has determined that Robert McNamara is an "audit committee financial expert", as defined in item 407(d)(5)(ii) of Regulations S-K. The Audit Committee meets at least two times per year. See below for summary of attendance.

The Audit Committee held a total of five meetings during the annual period ended December 31, 2023. The meetings attended by each Director, and the number of meetings that they were each eligible to attend, is as follows:

Audit Committee Meeting Attendance		
		Meetings attended/Meetings held
Robert McNamara	(1)	3/5
Jeremy Curnock Cook	(2)	5/5
Lou Panaccio		4/5
Jan Stern Reed		5/5
Cary Vance	(3)	3/5
James Corbett	(4)	5/5

(1) Mr. Robert McNamara was elected to the Board of Directors on April 1, 2023. Mr. McNamara was appointed by the Board of Directors to serve as Audit Committee Chair, with effect from May 10, 2023.

(2) Mr. Jeremy Curnock Cook stepped down as a member of the Audit Committee, with effect from May 10, 2023.

(3) Mr. Cary Vance was elected to the Board of Directors on April 1, 2023. Mr. Vance was appointed by the Board of Directors to serve as an Audit Committee member, with effect from May 10, 2023.

(4) Mr. James Corbett was not a member of the Audit Committee but was in attendance at all Audit Committee meetings in 2023 as CEO.

Compensation Committee

Our Board of Directors has established a Compensation Committee, which is comprised of independent Directors, within the meaning of Nasdaq Marketplace Rules and also the 4th Edition of the ASX's Corporate Governance Principles and Recommendations. The Compensation Committee must be comprised solely of non-executive directors in accordance with the ASX Listing Rules and must also be chaired by an independent Director in accordance with the 4th Edition of the ASX's Corporate Governance Principles and Recommendations. The Compensation Committee is responsible for reviewing the salary, incentives, and other benefits of our directors, senior executive officers and employees, and to make recommendations on such matters for approval by our Board of Directors. The Compensation Committee is also responsible for overseeing and advising our Board of Directors with regard to the adoption of policies that govern our compensation programs. Professor Suzanne Crowe, Jeremy Curnock Cook, Jan Stern Reed, Cary Vance and Lou Panaccio are the current members of the Compensation Committee, and each qualifies as an "independent Director" within the meaning of Nasdaq Marketplace Rules and the 4th Edition of the ASX's Corporate Governance Principles and Recommendations. Cary Vance is the chair of this committee (being an independent Director who is not the chair of the Board).

The Compensation Committee held a total of five meetings during annual period ended December 31, 2023. The meetings attended by each Director, and the number of meetings that they were each eligible to attend, is as follows:

Compensation Committee Meeting Attendance		
		Meetings attended/Meetings held
Professor Suzanne Crowe		5/5
Jeremy Curnock Cook		4/5
Lou Panaccio		5/5
Jan Stern Reed	(1)	5/5
Cary Vance	(2)	3/5
James Corbett	(3)	5/5
Robert McNamara	(4)	3/5

(1) Ms. Jan Stern Reed stepped down from role as Compensation Committee Chair and was appointed by Board of Directors to serve as Compensation Committee member, with effect from May 10, 2023.

(2) Mr. Cary Vance was elected to the Board of Directors on April 1, 2023. Mr. Vance was appointed by the Board of Directors to serve as member of Compensation Committee, with effect from May 10, 2023. Mr. Vance was then appointed to Compensation Committee Chair beginning with August 9, 2023 meeting.

(3) Mr. James Corbett was not a member of the Compensation Committee but was in attendance at all Compensation Committee meetings in 2023 as CEO.

(4) Mr. Robert McNamara was elected to the Board of Directors on April 1, 2023.

Nominating and Corporate Governance Committee

Our Board of Directors has established a Nominating and Corporate Governance Committee. Under the 4th Edition of the ASX's Corporate Governance Principles and Recommendations, our Nominating and Corporate Governance Committee should have at least three members, a majority of whom are independent, and should also be chaired by an independent director. Professor Suzanne Crowe, Robert McNamara, Jan Stern Reed and Jeremy Curnock Cook are the current members of the Nominating and Corporate

Governance Committee and each qualifies as an "independent director" within the meaning of Nasdaq Marketplace Rules and the 4th Edition of the ASX's Corporate Governance Principles and Recommendations. Jan Stern Reed is the Chair of this committee (being an independent director). The Nominating and Corporate Governance Committee is responsible for identifying individuals qualified to become members of our Board of Directors, recommending nominees for election at the stockholders meetings or to fill vacancies that arise on our Board of Directors, and recommending qualified and experienced directors to serve on the committees of our Board of Directors. In addition, the Nominating and Corporate Governance Committee is responsible for leading the Board of Directors to complete a self-evaluation of the board, its committees, and the individual directors.

The Nominating and Corporate Governance Committee held a total of four meetings during the annual period ended December 31, 2023. The meetings attended by each Director, and the number of meetings that they were each eligible to attend, is as follows:

Nominating and Corporate Governance Committee Meeting Attendance

		Meetings attended/Meeting held
Lou Panaccio	(1)	3/4
Jeremy Curnock Cook		4/4
Professor Suzanne Crowe		4/4
Jan Stern Reed		4/4
Robert McNamara	(2)	3/4
James Corbett	(3)	4/4
Cary Vance	(4)	3/4

(1) Mr. Lou Panaccio stepped down as a member of the Nominating and Corporate Governance Committee, with effect from May 10, 2023.

(2) Mr. Robert McNamara was elected to the Board of Directors on April 1, 2023. Mr. McNamara was appointed by the Board of Directors to serve as member of the Nominating and Corporate Governance Committee, with effect from May 10, 2023.

(3) Mr. James Corbett was not a member of the Nominating and Corporate Governance Committee but was in attendance at all Nominating and Corporate Governance Committee meetings in 2023 as CEO.

(4) Mr. Cary Vance was elected to the Board of Directors on April 1, 2023.

Board of Directors' Meetings

The Board of Directors held a total of seven meetings during the annual period ended December 31, 2023. The meetings attended by each Director, and the number of meetings that they were each eligible to attend, is as follows:

Board of Directors' Meeting Attendance

		Meetings attended/Meetings held
Lou Panaccio		7/7
Jeremy Curnock Cook		7/7
Professor Suzanne Crowe		7/7
Jan Stern Reed		7/7
Robert McNamara	(1)	4/7
Cary Vance	(2)	5/7
James Corbett		7/7

(1) Mr. Robert McNamara was elected to the Board of Directors on April 1, 2023.

(2) Mr. Cary Vance was elected to the Board of Directors on April 1, 2023.

Item 11. EXECUTIVE COMPENSATION

The particulars of the compensation paid to the below listed "named executive officers" of our company are set out in the summary compensation below.

- *James Corbett, Chief Executive Officer*
- *David O'Toole, Chief Financial Officer*
- *Donna Shiroma, General Counsel*

SUMMARY COMPENSATION TABLE

The following table sets forth for our named executive officers the following information for the annual period ended December 31, 2023 and December 31, 2022.

Name and Position	Year	Salary	Bonus	Stock Awards (1)	Option Awards (2)	All Other Compensation (3)		Total
Named Executive Officers:		($)	($)	($)	($)	($)		($)
James Corbett	2023	625,000	491,188	-	912,500	39,987	(4)	2,068,675
Chief Executive Officer	2022	156,992	100,726	-	1,232,747	5,119	(4)	1,495,584
David O'Toole	2023	245,048	146,753		1,607,150	7,875	(5)	2,006,826
Chief Financial Officer	2022	-	-	-	-	-		-
Donna Shiroma	2023	431,526	209,829	-	547,500	47,249	(6)	1,236,104
General Counsel	2022	416,902	178,662	178,672	82,524	47,155	(7)	903,915

(1) Amounts in this column represent awards of restricted stock units with the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. The fair value determined at the date of grant in accordance with U.S. GAAP based on the closing price of our common stock on the applicable grant date. The vesting of these stock awards is subject to continuation of employment over the relevant vesting period.

(2) Amounts in this column represent awards of stock options with the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. Amounts in this column represent option awards issued to the individuals noted, based on the fair value determined at the date of grant in accordance with U.S. GAAP. See Note 15- Share-Based Payment Plans to our Consolidated Financial Statements included in Part II, Item 8. “Financial Statements and Supplementary Data” for the assumptions used in determining the grant date fair value of option awards. The vesting of these option awards are subject to various performance or tenure related criteria.

(3) Amounts in this column represent all other compensation for the covered fiscal year that the smaller reporting company could not properly report in any other column of the Summary Compensation Table. This includes the non-qualified deferred compensation employer match, 401(k) match, and fringe benefits such as car allowance, accommodations and medical benefits, along with related taxes on grossed up fringe benefits.

(4) Relates to accommodation costs associated with the executive commuting from his home to our offices in Valencia, California (including an amount necessary to gross up these costs for income tax purposes under U.S. federal and California State laws).

(5) Represents 401(k) employer match contribution.

(6) Comprised of (a) $28,045 in non-qualified deferred compensation employer match and (b) $19,204 in 401(k) employer match contribution.

(7) Comprised of (a) $28,855 in non-qualified deferred compensation employer match and (b) $18,300 in 401(k) employer match contribution.

Employment Contracts

The following table outlines the specified terms of the relevant employment contracts for the named executive officers of the Company. For compensation information of named executives refer to the table above.

Role	Name	Contract Duration	Period of Notice (2) (3)	Termination payments provided for by contract (1)
Chief Executive Officer(CEO)	James Corbett	Three years with automatic one-year extensions on each anniversary.	Termination by the Company with or without Cause– No notice period. Termination by executive- with or without Good Reason - 90 days prior written notice.	18 months
Chief Financial Officer (CFO)	David O'Toole	Open ended contract	Termination by the Company or Executive with or without Cause– No notice period.	12 months
General Counsel (GC)	Donna Shiroma	Open ended contract	Termination by the Company or Executive with or without Cause– No notice period.	12 months

(1) Termination payments only in the event of employment termination for involuntary termination without cause or termination for “Good Reason.”

(2) “Cause” - For the CEO, "Cause" shall mean the occurrence of any of the following events: (i) Executive's unauthorized misuse of the Company's trade secrets or proprietary information, (ii) Executive's conviction or plea of nolo contendere to a felony or a crime involving moral turpitude, (iii) Executive's committing an act of fraud against the Company, or (iv) Executive's gross negligence or willful misconduct in the performance of his duties that has had or is likely to have a material adverse effect on the Company. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, Executive shall have ten (10) business days from the delivery date of the Company's written notice of termination within which to cure any acts constituting Cause. For the CFO, Cause is defined as (i) conviction of, or a plea of guilty or nolo contendere to, a felony or crime involving moral turpitude; (ii) participation in an act of fraud or theft against the Company; (iii) willful and material breach of any contractual, statutory, fiduciary, or common law duty owed to the Company including without limitation Section 4.1 of this Agreement; (iv) willful and repeated failure to satisfactorily perform job duties; or (v) any willful act that is likely to and which does in fact have the effect of injuring the reputation, business, or a business relationship of the Company. For the GC, Cause is defined as: conviction of, or a plea of guilty or nolo contendere to, a felony or crime involving moral turpitude; participation in an act of fraud or theft; willful and material breach of any contractual, statutory, fiduciary or common law duty owed to the Company; intentional and repeated failure of Executive to perform Executive's job duties after receiving notice of the stated deficiencies and Executive willfully falling to address the deficiencies and deliberately continuing to not perform stated job duties; or any willful, deliberate, premeditated act by Executive that materially and demonstrably injures the reputation, business or a business relationship of the Company.

(3) “Good Reason” - For the CEO, Good Reason is defined as (i) a material reduction in Executive's Base Salary unless a proportionate reduction is made to the Base Salary of all members of the Company's senior management, (ii) a permanent relocation of Executive's principal place of employment by more than 50 miles from the location in effect immediately prior to such relocation, (iii) any material by the Company of any material provision of this Agreement, or (iv) a material diminution in the nature or scope of Executive's authority or responsibilities from those applicable to Executive as of the Effective Date (date of hire). For the CFO and GC, Good Reason is defined as (i) a material diminution in Executive’s authority, duties, or responsibilities in effect at the time of this Agreement; (ii) any reduction in the Executive’s then current base salary; (iii) relocation of Executive’s principal place of work by a distance of fifty (50) miles or more from the Executive’s then current principal place of work without the Executive’s consent; (iv) material breach by the Company of any provision of this Agreement; provided, however, that the conduct described in the foregoing subsections (i) through (iv)

will only constitute Good Reason if such conduct is not cured within thirty (30) days after the Company's receipt of written notice from the Executive specifying the particulars of the conduct the Executive believes constitutes Good Reason."

Compensation Principles

The Compensation Committee has a formal Compensation Governance Framework which, at the core, consists of a Compensation Committee Charter (the "Charter"). The Charter outlines responsibilities and duties of the members, sets forth the frequency of meetings, establishes and reviews the overall compensation policies and practices of the Company and also sets forth the process to review and approve the executive compensation program for the Chief Executive Officer and other executive officers, and make appropriate recommendations to the Board of Directors.

Compensation Committee

The Compensation Committee approves or makes recommendations to our Board of Directors on decisions concerning compensation of the executive management team and Board of Directors on a periodic basis to ensure that it is consistent with our short-term and long-term goals. The Compensation Committee assess the appropriateness of the nature and amount of compensation of our executives by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the recruitment and retention of a high-quality board and executive team.

Additionally, the Compensation Committee is responsible for evaluating the performance of the Company's key senior executives. The Company's Chief Executive Officer and other members of management regularly discuss the Company's compensation issues with Compensation Committee members. The Compensation Committee reviews and recommends to the Board of Directors the overall bonus and equity incentive awards for employees of the Company Additionally, the Company's Chief Executive Officer makes recommendations to the Compensation Committee for review, modification (if applicable) and approval in relation to bonuses and equity incentive awards for members of the executive management team.

Resignation, Retirement, Termination for Cause, or Resignation without Good Reason Arrangements

The Company does not have any agreements or plans other than the current employment contracts in place for the named executive officers that would provide additional compensation in connection with a retirement.

Potential Payments upon Involuntary Termination, Resignation without Good Reason or Change-In-Control

The employment contract provides for the following severance payments upon termination by us without cause or by the employee for good reason (as defined in the particular employment agreement): (i) payment of the employee's then-current base salary for a period of 18-months for the CEO and 12-months for the CFO or General Counsel, following termination (ii) a pro-rated target bonus for the period during which the employee was employed in the year of termination and (iii) continued coverage under our group health and benefits plan consistent with the term of the base salary; and (iv) immediate acceleration of unvested stock options and restricted stock unit awards.

Outstanding Equity Awards at Fiscal Year-End

The following table presents information regarding outstanding equity awards held by our named executive officers as of December 31, 2023 (in US dollars).

	Option awards				Stock awards	
Name	Number of securities underlying unexercised options exercisable	Number of securities underlying unexercised unearned options	Option exercise price (2)	Option expiration date (2)	Number of unearned shares, units or other rights have not vested	Market or payout value of unearned shares, units or other rights have not vested (1)
James Corbett, Chief Executive Officer	5,834	1,641	$ 12.18	12/22/2031	2,891	$ 14,455
	56,574	169,722	$ 5.64	9/28/2032		
	-	100,000	$ 14.17	6/6/2033		
David O'Toole, Chief Financial Officer	-	150,000	$ 17.00	6/15/2033		
Donna Shiroma, General Counsel	17,000	-	$ 4.38	6/25/2028	29,216	$ 146,080
	26,100	-	$ 6.38	11/1/2028		
	64,700	-	$ 5.99	11/30/2028		
	3,462	3,463	$ 20.21	7/6/2031		
	6,884	13,766	$ 4.97	7/1/2032		
	-	60,000	$ 14.17	6/6/2033		

(1) Amounts in this column are calculated by multiplying the closing market price of the Company's stock as of December 31, 2023 by the number of shares or units of stock awards.

(2) Represents range of exercise price and expiration dates as options were granted on different dates throughout their tenure.

Director Compensation

The following table sets forth certain information regarding the compensation earned by or awarded to each non-employee Director who served on our Board during the fiscal year-ended December 31, 2023 (in US dollars). We do not provide separate compensation to our executive Directors, such as James Corbett, who served as our Chief Executive Officer during the fiscal year-ended December 31, 2023.

	Fees earned in cash (1)	Stock awards (2)	Option awards (3)	Total
Non-Executive Directors				
Lou Panaccio - Chairman	$ 123,983	$ 87,500	$ 23,203	$ 234,686
Jeremy Curnock Cook	89,164	87,500	23,203	199,867
Suzanne Crowe	84,580	87,500	23,203	195,283
Jan Stern Reed	100,417	87,500	23,203	211,120
Robert McNamara	70,836	234,499	63,773	369,108
Cary Vance	66,669	234,499	63,773	364,941
Total Non-Executive Directors	**$ 535,649**	**$ 818,998**	**$ 220,358**	**$ 1,575,005**

(1) Amounts are composed of the following: $70,000 for fees as a Board Member, $35,000 for Chair of the Board, $20,000 for Audit Committee Chair, $15,000 for Compensation Committee Chair, $10,000 for Nominating and Corporate Governance Chair, $10,000 for Audit Committee Member, $7,500 for Compensation Committee Member, and $5,000 for Nominating and Corporate Governance Member.

(2) Amounts in this column represent awards of restricted stock units with the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. The fair value determined at the date of grant in accordance with U.S. GAAP based on the closing price of our common stock on the applicable grant date. The vesting of these stock awards are service based and subject to continued participant as Board Members.

(3) Amounts in this column represent awards of stock options with the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. Amounts in this column represent option awards issued to the individuals noted, based on the fair value determined at the date of grant in accordance with U.S. GAAP. See Note 15- Share-Based Payment Plans to our Consolidated Financial Statements included in Part II, Item 8. "Financial Statements and Supplementary Data" for the assumptions used in determining the grant date fair value of option awards. The vesting of these option awards are service based and subject to continued participant as Board Members.

Equity Compensation Plan Information as of December 31, 2023

Plan Category		Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)		Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)	
Equity compensation plans approved by security holders						
2016 Equity Incentive Plan	(2)				-	(1)
Stock Options		740,945	$	13.69		
2020 Equity Incentive Plan					2,294,367	
Stock Options		1,553,969	$	13.58		
RSUs		171,552	$	-		
2021 AGM Awards					-	
Stock Options		22,600	$	12.18		
RSUs		5,782	$	-		
2022 AGM Awards					-	
Stock Options		247,876	$	5.75		
RSUs		-	$	-		
2023 AGM Awards					-	
Stock Options		124,768	$	14.17		
RSUs		57,798	$	-		
Equity compensation plans not approved by security holders		-		-	-	
Total		2,925,290			2,294,367	

(1) Upon closing of the Redomiciliation, the 2016 Plan was terminated with respect to future grants and accordingly, there are no more shares available to be issued under the 2016 Plan.

(2) The 2016 Plan were previously approved and adopted by the shareholders of AVITA Australia, the former parent company.

No securities were purchased on-market:

- under or for the purposes of an employee incentive plan; or
- to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive plan.

Table of Contents

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

For common stockholders, the information required with respect to this item will be incorporated herein by reference to our Definitive Proxy Statement for our 2024 Annual Meeting of Stockholders or an amendment of this report to be filed with the SEC no later than 120 days after the close of our year ended December 31, 2023.

In addition to the Company's primary listing on the Nasdaq Capital Market, the Company's shares of common stock are also quoted in the form of CDIs on the ASX and trade under the ticker symbol "AVH". As part of our ASX listing, we are required to comply with the various disclosure requirements as set out under the ASX Listing Rules. The following information is intended to comply with the ASX Listing Rules (where that information has not been provided elsewhere in this Annual Report).

Australian Disclosure Requirements

Principal Stockholders and Management

The following table provides certain information regarding the ownership of our common stock (including our CDIs), as of January 31, 2024 by each person or group of affiliated persons known to us to be the beneficial owner of more than 5% of our common stock (including our CDIs); each of our named executive officers; each of our Directors; and all of our named executive officers and Directors as a group. The table also sets out the names of all persons (to the best of the Company's knowledge) who have disclosed pursuant to the *Corporations Act 2001* (Cth) that they are "substantial shareholders" of the Company and carry 5% or more of the voting rights attached to the issued securities of the Company.

Unless otherwise indicated in the table or the related notes, the address for each person named in the table is c/o AVITA Medical, Inc., 28159 Avenue Stanford Suite 220, Valencia, CA 91355.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership [1]		Percentage of Class [2]
	More than 5% stockholders:			
	BlackRock, Inc. 50 Hudson Yards New York, NY 10001	1,806,149	(3)	7.03%
	The Vanguard Group, Inc. 100 Vanguard Blvd., Malvern, PA 19355	1,392,780	(4)	5.42%
	Directors and named executive officers:			
Common Stock	Lou Panaccio	44,948	(5)	*
Common Stock	Jeremy Curnock Cook	22,384	(6)	*
Common Stock	Professor Suzanne Crowe	28,996	(7)	*
Common Stock	Jan Stern Reed	33,952	(8)	*
Common Stock	Cary Vance	-		*
Common Stock	Robert McNamara	-		*
Common Stock	James Corbett	71,097	(9)	*
Common Stock	David O'Toole	17,484	(10)	*
Common Stock	Donna Shiroma	132,656	(11)	*
	All executive officers and directors as a group (9 persons)	**351,517**		1.37%

* Represents beneficial ownership of less than 1% of the outstanding common stock.

(1) Except as otherwise indicated, we believe that the beneficial owners of the common stock listed above, based on information furnished by such owners, have sole investment and voting power with respect to such shares, subject to community property laws where applicable. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities.

(2) Percentage of ownership is based on 25,706,578 shares of our common stock issued and outstanding as of January 31, 2024 (including common stock represented by CDIs). Common stock subject to options or RSUs exercisable within 60 days of January 31, 2024 are deemed outstanding for purposes of computing the percentage ownership of the person holding such option or RSUs but are not deemed outstanding for purposes of computing the percentage ownership of any other person.

(3) Represents shares beneficially owned by BlackRock, Inc, as of December 31, 2023, obtained from Schedule 13G filed by BlackRock, Inc. with the SEC on January 26, 2024.

(4) Represents shares beneficially owned by Vanguard, Inc, as of December 31, 2023, as obtained from Schedule 13G filed by Vanguard, Inc. with the SEC on February 13, 2024.

(5) Reflects 16,939 shares of common stock and 100,320 CDIs, which translates into 20,064 shares of common stock. CDIs include 29,860 CDIs which translates into 5,972 shares of common stock that are held by The Panaccio Superannuation Fund. In addition, the amount includes 7,945 shares of stock options to acquire 7,945 shares of our common stock exercisable within 60 days of January 31, 2024.
(6) Reflects 14,439 shares of common stock and 7,945 shares of stock options to acquire 7,945 shares of our common stock exercisable within 60 days of January 31, 2024.
(7) Reflects 16,939 shares of common stock, 20,560 CDIs, which represent 4,112 shares of our common stock and 7,945 shares of stock options to acquire 7,945 shares of our common stock exercisable within 60 days of January 31, 2024.
(8) Reflects 22,723 shares of common stock and 11,229 shares of stock options to acquire 11,229 shares of our common stock exercisable within 60 days of January 31, 2024.
(9) Reflects 8,689 shares of common stock and 62,408 shares of stock options to acquire 62,408 shares of our common stock exercisable within 60 days of January 31, 2024.
(10) Reflects 17,484 shares of common stock.
(11) Reflects 14,510 shares of common stock and 118,146 shares of stock options to acquire 118,146 shares of our common stock exercisable within 60 days of January 31, 2024.

Jurisdiction of incorporation and restrictions on the acquisition of securities

The Company is incorporated in the State of Delaware in the United States of America. As a foreign company registered in Australia, the Company is not subject to Chapters 6, 6A, 6B and 6C of the *Corporations Act 2001* (Cth) dealing with the acquisition of its shares (including substantial holdings and takeovers).

Under the Delaware General Corporation Law, the Company's shares are generally freely transferable, subject to restrictions imposed by United States federal or state securities laws, by the Company's certificate of incorporation or by-laws or by an agreement signed with the holders of shares on issue. The Company's certificate of incorporation and bylaws do not impose any specific restrictions on the transfer of its shares. Repurchases of the Company's securities are governed by the safe harbor provisions set forth in Rule 10b-18 of the Securities Exchange Act of 1934. However, provisions of the Delaware General Corporation Law, the Company's certificate of incorporation and the Company's by-laws could make it more difficult to acquire the Company by means of a tender offer (takeover), a proxy contest or otherwise, or to remove incumbent officers and directors of the Company. These provisions could discourage certain types of coercive takeover practices and takeover bids that the Company's board may consider inadequate and encourage persons seeking to acquire control of the Company to first negotiate with the board.

Australian Corporate Governance Statement

The Board of Directors and employees of the Company are committed to developing, promoting and maintaining a strong culture of good corporate governance and ethical conduct. The Board of Directors confirm that the Company's corporate governance framework is generally consistent with the ASX's Corporate Governance Council's "Corporate Governance Principles and Recommendations" (4th Edition) ("ASX Governance Recommendations"). The Company's Corporate Governance Statement is available for viewing at https://ir.avitamedical.com/corporate-governance. The Corporate Governance Statement sets out the ASX Governance Recommendations and the Company's response as to how and whether it follows those recommendations. Where the Company's practices depart from a recommendation, the Board of Directors has disclosed in the Corporate Governance Statement the departure along with reasons for the adoption of its own practices. The Company's most recent Corporate Governance Statement, dated February 22, 2024 and approved by the Board of Directors remains accurate as of the date of this Annual Report on Form 10-K.

Issued capital

As of January 31, 2024, the Company's issued share capital was as follows:

- 25,706,578 shares of common stock, of which:
  - 13,436,606 shares of common stock were held by 4 stockholders of record quoted on Nasdaq; and
  - 12,269,972 shares of common stock were held by CHESS Depositary Nominees Pty Limited ("Authorized Nominee") (on behalf of 20,497 CDI securityholders) representing 61,349,860 CDIs quoted on ASX.

As of January 31, 2024, the following unquoted securities were on issue, which entitle the holders of those securities, upon vesting of their conversion rights, to be issued shares of common stock (including in certain cases in the form of CDIs) of the Company:

- the equivalent of 3,695,568 unquoted options held amongst 126 option holders. Specifically:
  - the equivalent of 333,771 options are on issue to Mr. James Corbett, CEO;

- the equivalent of 3,361,797 options were granted (and are on issue) to 125 employees and directors of the Company under Avita Australia's 2016 Equity Incentive Plan and 2020 Equity Incentive Plan and the Company's 2021, 2022 and 2023 AGM Awards; and

- the equivalent of 225,180 unquoted restricted stock units ("RSUs") held as follows:
  - the equivalent of 2,891 RSUs held by Mr. Corbett, CEO; and
  - the equivalent of 222,289 RSUs held by 31 employees of the Company under Avita Australia's 2020 Employee Incentive Plan and the Company's 2021, 2022 and 2023 AGM Awards.

As of January 31, 2024, the Company does not have any restricted securities that are on issue or any securities subject to voluntary escrow that are on issue.

Voting Rights

The Company's bylaws provide that each stockholder has one vote for every share of common stock entitled to vote held of record by such stockholder. If holders of CDIs wish to attend and vote at the Company's general meetings, they will be able to do so, provided, in case of voting, that the relevant steps as set out below are complied with by the CDI holder. Under the ASX Listing Rules and ASX Settlement Operating Rules, the Company must allow CDI holders to attend any meeting of the holders of the underlying securities, unless relevant United States laws at the time of the meeting prevent CDI holders from attending those meetings.

In order to vote at such meetings, CDI holders have the following options:

- instruct the Authorized Nominee (as the legal owner of the shares of common stock) to vote the common stock represented by their CDIs in a particular manner. A voting instruction form will be sent to CDI holders with the notice of meeting or proxy statement for the meeting and that instruction form must be completed and returned to the Company's registry prior to the record date fixed for the relevant meeting ("CDI Voting Instruction Receipt Time"), which is notified to the CDI holder in the voting instructions included in the notice of meeting; or

- inform the Company that they wish to nominate themselves or a third party to be appointed as the Authorized Nominee's proxy with respect to their common stock underlying their CDIs for the purposes of attending and voting at the meeting. The instruction form must be completed and returned to the Company's registry prior to the CDI Voting Instruction Receipt Time.

Alternatively, a CDI holder can convert their CDIs into a holding of common stock and vote those shares of common stock at a meeting of stockholders. Such a conversion must be undertaken prior to the record date fixed by the Company's Board of Directors for determining the entitlement of stockholders to attend and vote at the meeting. However, if the former CDI holder later wishes to sell their investment on the ASX, it would be necessary to convert those shares of common stock back to CDIs.

As CDI holders will not appear on the Company's register as the legal holders of the underlying common stock, they will not be entitled to vote at a stockholder meeting unless one of the above steps is undertaken. As each CDI represents 1/5 of a share of common stock, if the CDI holder takes one of the steps noted above to allow it to vote at a stockholder meeting, the CDI holder will be entitled to one vote for every five CDIs it holds.

Holders of options, warrants and RSUs are not entitled to vote at the Company's general meetings.

Substantial Stockholders

The information required in relation to the substantial shareholders of the Company is included in this Annual Report at Item 12 of Part III.

Distribution of Common Stock and CDI Holders at January 31, 2024

Below is a distribution schedule of the number of holders of common stock and CDIs, categorized by the size of their holdings, based on the Company's registers as at January 31, 2024.

	Common Stock		
	Number of Holders of Record	**Shares of common stock**	**Percentage of total common stock ownership (1)**
1 - 1,000	1	20	0.00%
1,001 - 5,000	-	-	
5,001 - 10,000	-	-	
10,001 - 100,000	1	56,944	0.22%
100,001 - and over	2	13,379,642	52.05%
	4	13,436,606	

(1) Percentage of ownership is based on 25,706,578 shares of our common stock issued and outstanding as of January 31, 2024 (including common stock represented by CDIs).

	CDIs		
	Number of Holders	**Number of common stock equivalents (CDIs divided by 5) (1)**	**Percentage of total common stock ownership (2)**
1 - 1,000	13,668	955,455	3.72%
1,001 - 5,000	4,985	2,401,553	9.34%
5,001 - 10,000	1,029	1,543,639	6.00%
10,001 - 100,000	766	3,713,271	14.44%
100,001 - and over	49	3,656,054	14.22%
	20,497	12,269,972	

(1) Assuming all CDI's are held as common stock of the Company, with 5 CDIs representing a beneficial ownership interest in one share of common stock of the Company.

(2) Percentage of ownership is based on 25,706,578 shares of our common stock issued and outstanding as of January 31, 2024 (including common stock represented by CDIs).

The number of holders holding less than a marketable parcel of securities

The number of stockholders and/or CDI holders holding less than a marketable parcel of shares of common stock and/or CDIs (where a "marketable parcel" means a parcel of securities worth at least A$500, pursuant to the ASX Operating Rules) as of January 31, 2024 was as follows:

- 2,591 holders of less than a marketable parcel of CDIs.
- No common stockholders owning less than a marketable parcel of shares of common stock.

Buy-back of securities

There is no current on-market buy-back of our securities.

Twenty Largest Holders as of January 31, 2024

Below is a statement of the 20 largest stockholders and CDI holders, and the number and percentage of issued common stock held by those holders, based on the Company's registers at January 31, 2024. (assuming all CDI's are held as common stock of the Company, with 5 CDIs representing a beneficial ownership interest in one share of common stock of the Company).

Common Stock

Rank	Name	Shares of common stock	Percentage of total common stock outstanding (1)
1	CEDE & CO	13,250,330	51.54%
2	DR MIKE PERRY	129,312	0.50%
3	ARLENE O E PERRY	56,944	0.22%
4	GARY L ORLOFF	20	0.00%
	Total	**13,436,606**	

(1) Percentage of ownership is based on 25,706,578 shares of our common stock issued and outstanding as of January 31, 2024 (including common stock represented by CDIs).

CDIs

Rank	Name	Number of Common stock equivalents (CDIs divided by 5) (1)	Percentage of total common stock outstanding (2)
1	UBS NOMINEES PTY LTD	417,970	1.63%
2	CITICORP NOMINEES PTY LIMITED	400,634	1.56%
3	WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	302,529	1.18%
4	BNPP NOMS PTY LTD HUB24 CUSTODIAL SERV LTD	285,593	1.11%
5	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	204,641	0.80%
6	MR EVAN PHILIP CLUCAS + MS LEANNE JANE WESTON <KURANGA NURSERY SUPER A/C>	159,013	0.62%
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	122,390	0.48%
8	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	97,530	0.38%
9	WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	92,521	0.36%
10	BNP PARIBAS NOMS PTY LTD	90,998	0.35%
11	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	85,911	0.33%
12	TAGGART INVESTMENTS PTY LTD <TAGGART INVESTMENT A/C>	76,800	0.30%
13	NULIS NOMINEES (AUSTRALIA) LIMITED <NAVIGATOR MAST PLAN SETT A/C>	63,116	0.25%
14	MR EDUARD AVETISOV	62,060	0.24%
15	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	61,873	0.24%
16	MR ANDRE WALL ELLIS + MRS OLIVIA LOUISE ELLIS	60,000	0.23%
17	MRS ARLENE PERRY	60,000	0.23%
18	WAIRAHI INVESTMENTS LIMITED	60,000	0.23%
19	SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>	55,740	0.22%
20	MR DAVID ANTHONY DEELEN	50,800	0.20%
	Total	2,810,119	
	Remaining CDI Holders	9,459,853	
	Total common stock held with CDI shares	12,269,972	

(1) Assuming all CDIs are held as shares of common stock of the Company, with 5 CDIs representing a beneficial ownership interest in one share of common stock in the Company.

(2) Percentage of ownership is based on 25,706,578 shares of our common stock issued and outstanding as of January 31, 2024 (including common stock represented by CDIs).

General Information

The name of our Secretary is Donna Shiroma.

The Company's ASX liaison officer who is responsible for communications with the ASX is Mark Licciardo.

The complete mailing address, including zip code, of our principal executive office is 28159 Avenue Stanford, Suite 220, Valencia, CA 91355, USA. The telephone number is +1(661) 367-9170.

The address of our registered office in Australia is c/o Acclime Ltd (formerly Merton's Corporate Services), Level 7, 330 Collins Street, Melbourne VIC 3000, Australia and our telephone number there is +61 3 8689 9997.

Registers of securities are held as follows:

- for CDIs in Australia at Computershare Investor Services Pty Limited, Level 2, 45 St Georges Terrace, Perth WA 6000 Australia, Investor Enquiries +61 8 9323 2000 (within Australia) +61 3 9415 4677 (outside Australia); and
- for common stock in the United States at Computershare Investor Services, 250 Royall Street, Canton, MA 02021 USA, Tel: +1 866-644-4127.

Application of funds

The Company advises that it has used the cash and assets in a form readily convertible to cash that it had at the time of the Company's admission to the Official List of ASX in a way that is consistent with its business objectives.

Directors' Declaration

As at the date of this Annual Report, the directors confirm that they are of the opinion that there are reasonable grounds to believe that the members of the "extended closed group" identified in Note 19, being the Company and the Australian Subsidiaries that are party to the deed of cross guarantee that is detailed in Note 19, will be able to meet any liabilities to which they are, or may become, subject, by virtue of the deed of cross guarantee.

Item 13. CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Transactions with Related Persons

SEC rules require us to disclose any transaction or currently proposed transaction in which the Company is a participant and in which any related person has or will have a direct or indirect material interest involving the lesser of $120,000 or 1% of the average of the Company's total assets as of the end of the last two completed fiscal years. A related person is any executive officer, director, nominee for director, or holder of 5% or more of the Company's Common Stock, or an immediate family member of any of those persons. Since January 1, 2023, the Company has not participated in any such related party transaction.

Director Independence

The Company's Board of Directors has determined that all members of our Board of Directors, except Mr. James Corbett, are independent directors for purposes of the rules of Nasdaq and the SEC and for the purposes of the ASX Listing Rules and the ASX Corporate Governance Council's 4th Edition Corporate Governance Principles and Recommendations. In making this determination, our Board of Directors considered the relationships that each non-executive director has with us and all other facts and circumstances that our Board of Directors deemed relevant, including the beneficial ownership of our common stock by each non-executive director and Mr. Corbett's executive role within AVITA Medical.

The composition and functioning of the Company's Board of Directors and each of its committees complies with all applicable requirements of Nasdaq and the rules and regulations of the SEC as well as the ASX Listing Rules and the ASX Corporate Governance Council's 4th Edition Corporate Governance Principles and Recommendations.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Principal Accounting Fees and Services

Grant Thornton LLP, the U.S. member of Grant Thornton International Ltd, independent registered public accountants have served as our independent public accountant for the years-ended December 31, 2023 and 2022. The following table sets forth fees billed or accrued by our independent registered public accountants during the years-ended December 31, 2023 and 2022.

	Year-Ended December 31, 2023	Year-Ended December 31, 2022
Audit fees - Grant Thornton LLP (1)	$ 775,020	$ 605,900
Grant Thornton UK LLP (1)	47,301	46,832
Tax fees - Grant Thornton LLP (2)	137,812	87,281
Total fees	$ 960,133	$ 740,013

(1) Audit fees consist of fees for the professional services by the principal accountant for the audit of the registrant's annual financial statements and review of financial statements included in the registrant's Form 10-Q or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements.

(2) Tax fees include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning.

Pre-Approval Policies and Procedures

The Audit Committee's policy is for the Audit Committee to approve all audit and non-audit services prior to such services being performed by the independent registered public accounting firm. Before engaging an independent registered public accountant firm to render audit or non-audit services, the engagement is approved by the Company's Audit Committee or the engagement to render services is entered into pursuant to pre-approval policies and procedures established by the audit committee. The Audit Committee pre-approved all audit services provided by independent registered public accountants during the years-ended December 31, 2023 and 2022.

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report:

(1) All Financial Statements

See Index to Financial Statements in Part II, Item 8 of this Annual Report.

(2) Financial Statement Schedules

All financial statement schedules have been omitted since the required information was not applicable or was not present in amounts sufficient to require submission of the schedules, or because the information required is included in the financial statements or the accompanying notes.

(3) Exhibits

The exhibits listed in the following Index to Exhibits are filed, furnished or incorporated by reference as part of this Annual Report

EXHIBITS

Exhibit Number	Exhibit Description
2.1	Scheme Implementation Agreement (incorporated by reference to Exhibit 99.2 of Form 6-K of Avita Medical Limited dated April 20, 2020)
3.1	Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the registrant's Form 8-K12B filed on June 30, 2020)
3.2	Certificate of Amendment of Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to the registrant's Form 10-KT filed on February 28, 2022)
3.3	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.3 to the registrant's Form 10-KT filed on February 28, 2022)
4.1	Description of Capital Stock (incorporated by reference to Exhibit 4.1 to the registrant's Form 10-K filed on February 23, 2023)
10.1	Employee Incentive Option Plan (incorporated by reference to Exhibit 4.1 of the Form 20-F of Avita Medical Limited filed September 27, 2019)†
10.2	Employee Share Plan (incorporated by reference to Exhibit 4.2 of the Form 20-F of Avita Medical Limited filed September 27, 2019)†
10.3	Award Contract dated September 29, 2015 by and between the registrant and the U.S. Department of Health and Human Services Biomedical Advanced Research and Development Authority (BARDA) (incorporated by reference to Exhibit 4.3 of the Form 20-F of Avita Medical Limited filed September 27, 2019)*
10.4	Award Contract dated September 29, 2015 by and between the registrant and BARDA (incorporated by reference to Exhibit 4.4 of the Form 20-F of Avita Medical Limited filed September 27, 2019) *
10.5	Amendment of Solicitation/Modification of Contract dated June 24, 2016 by and between the registrant and BARDA (incorporated by reference to Exhibit 4.5 of the Form 20-F of Avita Medical Limited filed September 27, 2019) *
10.6	Amendment of Solicitation/Modification of Contract dated September 28, 2017 by and between the registrant and BARDA (incorporated by reference to Exhibit 4.6 of the Form 20-F of Avita Medical Limited filed September 27, 2019) *
10.7	Amendment of Solicitation/Modification of Contract dated July 2, 2018 by and between the registrant and BARDA (incorporated by reference to Exhibit 4.7 of the Form 20-F of Avita Medical Limited filed September 27, 2019) *
10.8	Lease Agreement between the registrant and Hartco Ventura Inc. dated January 25, 2018 (incorporated by reference to Exhibit 4.8 of the Form 20-F of Avita Medical Limited filed September 27, 2019)
10.9	Lease Agreement between the registrant and RIF-Avenue Stanford LLC, dated October 3, 2016, as amended (incorporated by reference to Exhibit 4.9 of the Form 20-F of Avita Medical Limited filed September 27, 2019)

Exhibit Number	Exhibit Description
10.10	Third Amendment to the Lease Agreement between the registrant and RIF III-Avenue Stanford LLC, dated November 17, 2020, as amended) (incorporated by reference to Exhibit 10.10 to the registrant's Form 10-KT filed on February 28, 2022)
10.11	Executive Employment Agreement between the registrant and James Corbett dated September 26, 2022 (incorporated by reference to Exhibit 10.1 of the registrant's Form 10Q filed on November 10, 2022)
10.12	Amendment One to Employment Agreement between the registrant and James Corbett, dated March 16, 2023 (incorporated by reference to Exhibit 10.1 of the registrant's Form 8-K filed on March 22, 2023) †
10.13	Executive Employment Agreement between the registrant and David O'Toole dated June 17, 2023 (incorporated by reference to Exhibit 10.3 to the registrants Form 10Q filed August 10, 2023) †*
10.14	Executive Employment Agreement between the registrant and Donna Shiroma, dated effective June 25, 2018 (incorporated by reference to Exhibit 10.18 to the registrant's Form 10-KT filed on February 28, 2022) †
10.15	Amendment No. 1 to the 2020 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed on June 7, 2023) †
10.16	AVITA Medical, Inc. Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K filed on June 7, 2023) †
10.17	Form of Stock Option Grant (incorporated by reference to Exhibit 10.19 to the registrant's Form 10-K filed on February 23, 2023)†
10.18	Form of RSU Agreement (incorporated by reference to Exhibit 10.20 to the registrant's Form 10-K filed on February 23, 2023)†
10.19	2020 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.29 to the registrant's Form 10-KT filed on February 28, 2022) †
10.20	Fourth Amendment to the Lease Agreement between the registrant and RIF III-Avenue Stanford LLC, dated August 25, 2021, as amended) (incorporated by reference to Exhibit 10.30 to the registrant's Form 10-KT filed on February 28, 2022)
10.21	Stock Option Grant Agreement between the registrant and James Corbett, dated effective September 28, 2022 (incorporated by reference to Exhibit 10.23 of Form 10-K filed on February 23, 2023).
10.22	Fifth Amendment to the Lease Agreement between the registrant and 28159 Avenue Stanford Properties, LLC, (formerly RIF III-Avenue Stanford LLC), dated January 26, 2023, as amended) (incorporated by reference to Exhibit 10.24 to the registrant's Form 10-K filed on February 23, 2023)
10.23	Engagement Letter dated March 15, 2023, between the registrant and Mr. Cary Vance (incorporated by reference to Exhibit 10.1 of the registrant's Form 8-K filed on March 21, 2023) †
10.24	Non-Qualified Deferred Compensation Plan (incorporated by reference to Exhibit 10.4 on Form 10Q issued May 11, 2023) †
10.25	Lease agreement between URP X LLC and AVITA Medical, Inc. dated May 11, 2023 (incorporated by reference to Exhibit 10.5 on Form 10Q issued May 11, 2023)
10.26	Engagement Letter dated March 22, 2023, between AVITA Medical, Inc. and Mr. Robert McNamara (incorporated by reference to Exhibit 10.1 on Form 8K issued March 27, 2023)
10.27	Warrant Certificate, dated October 18, 2023, by and between the Company, and OrbiMed Royalty & Credit Opportunities IV, LP (incorporated by reference to Exhibit 4.1 to the registrant's Form 8-K filed on October 18, 2023)
10.28	Credit Agreement, dated October 18, 2023, by and between the Company, as borrower, and ORCO IV LLC as lender and administrative agent (incorporated by reference to Exhibit 10.1 to the registrant's Form 8-K filed on October 18, 2023)
10.29	Pledge and Security Agreement, dated October 18, 2023, by and among the Company, the guarantors party thereto and ORCO IV LLC (incorporated by reference to Exhibit 10.2 to the registrant's Form 8-K filed on October 18, 2023)
10.30	Lease Agreement between the registrant and Hartco Ventura Inc. dated December 6, 2023**
10.31	Amendment One to Employment Agreement between the registrant and Donna Shiroma, dated March 23, 2022** †
10.32	Amendment Two to Employment Agreement between the registrant and Donna Shiroma, dated August 9, 2023** †

Exhibit Number	Exhibit Description
10.33	Amendment One to Employment Agreement between the registrant and David O'Toole, dated August 9, 2023** †
10.34	Waiver and First Amendment to Orbimed Credit Agreement**
10.35	Trademark Security Agreement**
10.36	Supplement to Guarantee**
10.37	Patent Security Agreement**
10.38	Supplement to Pledge and Security Agreement**
10.39	Security Trust Deed**
10.40	Specific security Deed (marketable securities)**
10.41	General Security Deed**
10.42	Exclusive Distribution Agreement between the registrant and PolyMedics Innovation GmbH**
21.1	Subsidiaries of the Registrant (incorporated by reference to Exhibit 21.1 to the registrant's Form 10-KT filed on February 28, 2022)
97.1	Incentive-Based Compensation Recovery Policy**†
23.1	Consent of Independent Registered Public Accounting Firm**
31.1	Certification of CEO pursuant to Section 302 of The Sarbanes-Oxley Act of 2002 **
31.2	Certification of CFO pursuant to Section 302 of The Sarbanes-Oxley Act of 2002 **
32.1	Certification of CEO and CFO pursuant to Section 906 of The Sarbanes-Oxley Act of 2002***
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

† Management contract or compensation plan or arrangement.
* Certain identified confidential information has been redacted from this exhibit because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.
** Filed herewith
*** Furnished herewith

Item 16. Form 10-K Summary

None

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AVITA Medical, Inc.
(Registrant)

Date: February 22, 2024

/s/ James Corbett
James Corbett
Chief Executive Officer (Principal Executive Officer)

Date: February 22, 2024

/s/ David O'Toole
David O'Toole
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/ James Corbett James Corbett	Chief Executive Officer and Director (Principal Executive Officer)	February 22, 2024
/s/ David O'Toole David O'Toole	Chief Financial Officer (Principal Financial and Accounting Officer)	February 22, 2024
/s/ Lou Panaccio Lou Panaccio	Chairman of the Board of Directors	February 22, 2024
/s/ Jeremy Curnock Cook Jeremy Curnock Cook	Director	February 22, 2024
/s/ Suzanne Crowe Suzanne Crowe	Director	February 22, 2024
/s/ Jan Stern Reed Jan Stern Reed	Director	February 22, 2024
/s/ Robert McNamara Robert McNamara	Director	February 22, 2024
/s/ Cary Vance Cary Vance	Director	February 22, 2024

Table of Contents

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
AVITA Medical, Inc.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of AVITA Medical, Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive loss, stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2020.

Los Angeles, California
February 22, 2024

AVITA MEDICAL, INC.
Consolidated Balance Sheets
(In thousands, except share and per share data)

	As of	
	December 31, 2023	**December 31, 2022**
ASSETS		
Cash and cash equivalents	$ 22,118	$ 18,164
Marketable securities	66,939	61,178
Accounts receivable, net	7,664	3,515
BARDA receivables	30	898
Prepaids and other current assets	1,659	1,578
Inventory	5,596	2,125
Total current assets	104,006	87,458
Marketable securities long-term	-	6,930
Plant and equipment, net	1,877	1,200
Operating lease right-of-use assets	2,440	851
Corporate-owned life insurance ("COLI") asset	2,475	1,238
Intangible assets, net	487	465
Other long-term assets	355	122
Total assets	$ 111,640	$ 98,264
LIABILITIES, NON-QUALIFIED DEFERRED COMPENSATION PLAN SHARE AWARDS AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued liabilities	3,793	3,002
Accrued wages and fringe benefits	7,972	6,623
Current non-qualified deferred compensation ("NQDC") liability	168	78
Other current liabilities	1,266	990
Total current liabilities	13,199	10,693
Long-term debt	39,812	-
Non-qualified deferred compensation liability	3,663	1,270
Contract liabilities	357	698
Operating lease liabilities, long term	1,702	306
Warrant liability	3,158	-
Total liabilities	61,891	12,967
Non-qualified deferred compensation plan share awards	693	557
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Common stock, $0.0001 par value per share, 200,000,000 shares authorized, 25,682,078 and 25,208,436, shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively	3	3
Preferred stock, $0.0001 par value per share, 10,000,000 shares authorized, no shares issued or outstanding at December 31, 2023 and December 31, 2022	-	-
Company common stock held by the non-qualified deferred compensation plan	(1,130)	(127)
Additional paid-in capital	350,039	339,825
Accumulated other comprehensive income/(loss)	(1,887)	7,627
Accumulated deficit	(297,969)	(262,588)
Total stockholders' equity	49,056	84,740
Total liabilities, non-qualified deferred compensation plan share awards and stockholders' equity	$ 111,640	$ 98,264

The accompanying notes form part of the consolidated financial statements

AVITA MEDICAL, INC.
Consolidated Statements of Operations
(In thousands, except share and per share data)

	Year-Ended December 31, 2023	Year-Ended December 31, 2022
Revenues	$ 50,143	$ 34,421
Cost of sales	(7,780)	(6,041)
Gross profit	42,363	28,380
BARDA income	1,428	3,215
Operating expenses:		
Sales and marketing	(37,291)	(21,913)
General and administrative	(28,334)	(23,330)
Research and development	(20,821)	(13,857)
Total operating expenses	(86,446)	(59,100)
Operating loss	(42,655)	(27,505)
Interest expense	(1,143)	(16)
Other income, net	8,483	892
Loss before income taxes	(35,315)	(26,629)
Income tax expense	(66)	(36)
Net loss	$ (35,381)	$ (26,665)
Net loss per common share:		
Basic and Diluted	$ (1.40)	$ (1.07)
Weighted-average common shares:		
Basic and Diluted	25,331,264	25,000,180

The accompanying notes form part of the consolidated financial statements

AVITA MEDICAL, INC.
Consolidated Statements of Comprehensive Loss
(In thousands)

	Year-Ended December 31, 2023	Year-Ended December 31, 2022
Net loss	$ (35,381)	$ (26,665)
Foreign currency translation loss	-	(111)
Cumulative translation adjustment gain recognized in earnings as part of the reorganization of foreign subsidiaries	(9,415)	-
Change in fair value due to credit risk on Long-term debt	(621)	-
Net unrealized gain/(loss) on marketable securities, net of tax	522	(322)
Comprehensive loss	$ (44,895)	$ (27,098)

The accompanying notes form part of the consolidated financial statements

AVITA MEDICAL, INC.
Consolidated Statements of Stockholders' Equity
(In thousands, except shares)

	Common Stock						
	Shares	Amount	Company common stock held by the NQDC Plan	Additional Paid-in Capital	Accumulated Other Comprehensive Gain (Loss)	Accumulated Deficit	Total Stockholders' Equity
Balance at December 31, 2021	**24,925,743**	**$ 3**	**$ -**	**$ 332,484**	**$ 8,060**	**$ (235,923)**	**$ 104,624**
Net loss	-	-	-	-	-	(26,665)	(26,665)
Stock-based compensation	-	-	-	6,527	-	-	6,527
Exercise of stock options	150,125	-	-	900	-	-	900
Vesting of restricted stock units	114,641	-	-	-	-	-	-
Company common stock held by the NQDC Plan	17,927	-	(127)	127	-	-	-
Change in classification of deferred compensation share awards	-	-	-	(192)	-	-	(192)
Change in redemption value of share awards in NQDC plan	-	-	-	(21)	-	-	(21)
Other comprehensive loss	-	-	-	-	(433)	-	(433)
Balance at December 31, 2022	**25,208,436**	**$ 3**	**$ (127)**	**$ 339,825**	**$ 7,627**	**$ (262,588)**	**$ 84,740**
Net loss	-	-	-	-	-	(35,381)	(35,381)
Stock-based compensation	-	-	-	7,866	-	-	7,866
Exercise of stock options	166,675	-	-	957	-	-	957
Vesting of restricted stock units	106,476	-	-	-	-	-	-
Company common stock held by the NQDC Plan	128,172	-	(1,401)	1,401	-	-	-
Distribution/diversification of Company common stock held by the NQDC Plan	-	-	398	354	-	-	752
Change in redemption value of share awards in NQDC plan	-	-	-	(1,019)	-	-	(1,019)
ESPP purchases	72,319	-	-	655	-	-	655
Net unrealized gain on marketable securities	-	-	-	-	522	-	522
Change in fair value due to credit risk on Long-term debt	-	-	-	-	(621)	-	(621)
Cumulative translation adjustments recognized in earnings as part of the reorganization of foreign subsidiaries	-	-	-	-	(9,415)	-	(9,415)
Balance at December 31, 2023	**25,682,078**	**$ 3**	**$ (1,130)**	**$ 350,039**	**$ (1,887)**	**$ (297,969)**	**$ 49,056**

The accompanying notes form part of the consolidated financial statements

AVITA MEDICAL, Inc.
Consolidated Statement of Cash Flows
(In thousands)

	Year-Ended	
	December 31, 2023	**December 31, 2022**
Cash flow from operating activities:		
Net loss	$ (35,381)	$ (26,665)
Adjustments to reconcile net loss to net cash used in operating activities:		
Cumulative translation adjustments recognized in earnings as part of the reorganization of foreign subsidiaries	(9,415)	-
Loss on issuance under credit agreement	1,238	-
Change in fair value of long-term debt	1,616	-
Change in fair value of warrant liability	733	-
Depreciation and amortization	632	568
Stock-based compensation	8,384	6,998
Non-cash lease expense	748	692
Loss on fixed asset disposal	83	3
Investment losses	17	-
Patent impairment loss	4	-
Remeasurement and foreign currency transaction gain/(loss)	37	(85)
Excess and obsolete inventory related charges	221	375
BARDA deferred costs	(194)	130
Contract cost amortization	341	338
Provision for credit losses	24	(5)
Amortization of premium of marketable securities	(1,381)	(281)
Non-cash changes in the fair value of NQDC plan	856	38
Changes in operating assets and liabilities:		
Trade and other receivables	(4,172)	(395)
BARDA receivables	868	(590)
Prepaids and other current assets	(451)	(366)
Inventory	(3,693)	(371)
Operating lease liability	(713)	(720)
Corporate-owned life insurance ("COLI") asset	(1,008)	(1,084)
Other long-term assets	(233)	178
Accounts payable and accrued expenses	809	282
Accrued wages and fringe benefits	1,347	1,272
Current non-qualified deferred compensation liability	(1,504)	-
Other current liabilities	266	(92)
Non-qualified deferred compensation plan liability	2,251	994
Contract liabilities	(341)	(254)
Other long-term liabilities	-	(50)
Net cash used in operations	(38,011)	(19,090)
Cash flows from investing activities:		
Purchase of marketable securities	(78,757)	(74,362)
Sale of marketable securities	2,372	-
Maturities of marketable securities	79,439	55,555
Purchase of plant and equipment	(1,381)	(452)
Patent filing fees	(66)	(73)
Net cash provided by/(used in) investing activities	1,607	(19,332)
Cash flow from financing activities:		
Proceeds from long-term debt	38,762	-
Proceeds from exercise of stock options	957	900
Employee stock purchase plan ("ESPP") purchases	655	-
Net cash provided by financing activities	40,374	900
Effect of foreign exchange rate on cash and cash equivalents	(16)	(26)
Net increase/(decrease) in cash and cash equivalents	3,954	(37,548)
Cash and cash equivalents beginning of the period	18,164	55,712
Cash and cash equivalents end of the period	$ 22,118	$ 18,164

Supplemental Disclosure of Cash Flow Information:				
Income taxes paid during the period	$	44	$	17
Interest paid during the period	$	1,143	$	15
Non-cash investing activities:				
Plant and equipment purchases not yet paid	$	6	$	33
Right-of-use-asset obtained in exchange for lease liabilities	$	2,337	$	-
Non-cash financing activities:				
Warrant liability recognized upon issuance of term loan	$	2,425	$	-

The accompanying notes form part of the consolidated financial statements

AVITA MEDICAL, INC.
Notes to Consolidated Financial Statements

1. The Company

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). These financial statements include the assets, liabilities, revenues and expenses of all wholly-owned subsidiaries.

Nature of the Business

AVITA Medical and its subsidiaries (collectively, "AVITA Medical", "we", "our", "us", or "Company") is a commercial-stage regenerative medicine company transforming the standard of care in wound management and skin restoration with innovative devices. At the forefront of our portfolio is our patented and proprietary RECELL® System ("RECELL System" or "RECELL"), approved by the FDA for the treatment of thermal burn wounds and full-thickness skin defects, and for repigmentation of stable depigmented vitiligo lesions. RECELL harnesses the regenerative properties of a patient's own skin to create an autologous skin cell suspension, Spray-On Skin™ Cells, delivering a transformative solution at the point of care. This breakthrough technology serves as the catalyst for a new treatment paradigm enabling improved clinical outcomes. In September 2018, the FDA granted PMA to the RECELL System for use in the treatment of acute thermal burns in patients eighteen years and older. Following receipt of the original PMA, the Company commenced commercialization of the RECELL System in January 2019 in the United States. In June 2021, the FDA approved the expanded use of the RECELL System in combination of meshed autografting for acute full-thickness thermal wounds in pediatric and adult patients. In February 2022, the FDA approved a PMA supplement for the RECELL Autologous Cell Harvesting Device, an enhanced ease-of-use device aimed at providing clinicians a more efficient user experience and simplified workflow. On June 7, 2023, the FDA approved a PMA supplement for full-thickness skin defects based on results of the Company's pivotal trial for soft tissue repair and reconstruction. Following this approval, the Company commenced a commercial launch on June 8, 2023.

On June 16, 2023, the FDA approved a PMA application for the repigmentation of stable depigmented vitiligo lesions. Following FDA approval, the Company established a framework, which consists of three steps, to secure reimbursement for vitiligo. The first step is to conduct the 100-patient post market study called TONE. TONE will evaluate repigmentation using the RECELL device and will also seek to measure the improvement in the quality-of-life following treatment of stable vitiligo with RECELL. TONE, including publication, is expected to be complete by the end of 2024. The second step is to initiate a health economics study to capture the longitudinal healthcare costs for a vitiligo patient, which is expected to be completed by the end of 2024. The purpose of these studies is to demonstrate how treating vitiligo with RECELL can significantly reduce the lifetime healthcare cost of patients. As a result, commercial payors will stand to benefit economically by providing coverage of RECELL for the repigmentation of stable depigmented vitiligo lesions. Conversations with commercial payors will begin during the first quarter of 2025. Commercial coverage will be rolled out on a tiered basis based on state and geographic factors. The Company anticipates that the initial phase of reimbursement coverage will likely begin in the fourth quarter of 2025 with appropriately sized commercial support as coverage is established.

Additionally, on June 29, 2023, the Company submitted a PMA supplement to the FDA for RECELL GO™. RECELL GO maintains the FDA Breakthrough Device designation from predecessor devices. On September 29, 2023, the Company received notice from the FDA that additional information regarding the PMA is required for the continuation of a substantive review for RECELL GO. This request, which is not unique to the Breakthrough Device Program, placed the application file on hold while the Company addresses the FDA's questions. A category of questions posed by the FDA will require additional in-house testing. The Company has already made significant progress in developing the data plan for testing with some testing underway. Consequently, the Company expects to submit the complete response to the FDA no later than February 28, 2024. Upon the submission to the FDA, the application will reenter the 180-day cycle, with 90 days remaining in the review period. This timing would imply a product launch on May 31, 2024.

In February 2019, the Company entered into a collaboration with COSMOTEC, an M3 Group company, to market and distribute the RECELL System in Japan. Under the terms of the agreement, AVITA Medical will supply the RECELL product, and COSMOTEC will be the sole distributor of the product in Japan. The Company worked with COSMOTEC to advance its application for approval of the RECELL System in Japan pursuant to PMDA. In February 2022, COSMOTEC's application for regulatory approval was approved by the PMDA with labeling for burns only. In September 2022, COSMOTEC commercially launched RECELL in Japan following Japan's Ministry of Health, Labor, and Welfare approval of reimbursement pricing.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated upon consolidation.

Reclassification of prior year presentation

Certain prior year amounts within Other current liabilities have been reclassified to Current non-qualified deferred compensation liability, in the Consolidated Balance Sheets for consistency with current period presentation. These reclassifications had no effect on the reported results of operations or financial position.

Recent Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, S*egment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.* The ASU expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly reviewed by the Chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment's profit or loss and assets. The ASU also allows, in addition to the measure that is most consistent with U.S. GAAP, the disclosure of additional measures of segment profit or loss that are used by the CODM in assessing segment performance and deciding how to allocate resources. All disclosure requirements under *ASU 2023-07* are also required for public entities with a single reportable segment. The ASU is effective for the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025, and subsequent interim periods, with early adoption permitted. The Company is currently evaluating the impact of adopting this ASU on its consolidated financial statements and disclosures.

In December 2023, the FASB issued *ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures.* The amendments require (i) enhanced disclosures in connection with an entity's effective tax rate reconciliation and (ii) income taxes paid disaggregated by jurisdiction. The amendments are effective for annual periods beginning after December 15, 2024. The Company is currently evaluating the impact of adopting this ASU on its consolidated financial statements and disclosures.

Use of Estimates

The preparation of the accompanying consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts (including allowance for credit losses, carrying value of long-lived assets, the useful lives of long-lived assets, accounting for marketable securities, income taxes, fair value of the debt, fair value of warrants, stock-based compensation and the stand-alone selling price for the BARDA contract) and related disclosures. Estimates have been prepared on the basis of the current and available information. However, actual results could differ from estimated amounts.

Foreign Currency Translation and Foreign Currency Transactions

The financial position and results of operations of the Company's operating non-U.S. subsidiaries are generally determined using the respective local currency as the functional currency of that subsidiary. Assets and liabilities of these subsidiaries are translated at the exchange rate in effect at each period end. Income statement accounts are translated at the average rate of exchange prevailing during the period. Adjustments arising from the use of differing exchange rates from period to period are included in accumulated other comprehensive gain (loss) in shareholders' equity. Gains and losses resulting from foreign currency transactions are included in general and administrative expenses and were losses of $22,000 and a gain of $91,000 for the years-ended December 31, 2023 and 2022, respectively.

The Company's subsidiaries that use the U.S. dollar as their functional currency remeasure monetary assets and liabilities at exchange rates in effect at the end of each period, nonmonetary assets and liabilities at historical rates. Gains and losses resulting from these remeasurements and foreign currency transactions are included in general and administrative expenses and were a loss of $15,000 and a loss of $6,000 for the years-ended December 31, 2023 and 2022, respectively.

Comprehensive Loss

The components of comprehensive loss consist of net loss, foreign currency translation adjustments ("CTA") from its subsidiaries not using the U.S. dollar as their functional currency, unrealized gains and losses in investments available for sale and changes in fair value due to instrument specific credit risk on the debt. During the year-ended December 31, 2023, the Company

liquidated the Company's foreign subsidiaries. In accordance with ASC 830-30, *Foreign Currency Matters* ("ASC 830"), the CTA was reclassified into earnings. As such, the Company reclassified $9.4 million from comprehensive loss to earnings for the winding down of the foreign subsidiaries. The amount is recorded in Other income, net in the Consolidated Statement of Operations. The Company did not have reclassifications from other comprehensive loss to net loss during the year-ended December 31, 2022.

Revenue Recognition

The Company recognizes revenue when its customers obtain control of promised goods or services, in an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods or services.

To determine revenue recognition for arrangements that are within the scope of Topic 606 *Revenue from contracts with customers ("ASC 606")*, the Company performs the following five steps:

1. Identify the contract with a customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognize revenue when/as performance obligation(s) are satisfied

In order for an arrangement to be considered a contract, it must be probable that the Company will collect the consideration to which it is entitled for goods or services to be transferred. Once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised with each contract, determines whether those are performance obligations and the related transaction price. The Company then recognizes the sale of goods based on the transaction price that is allocated to the respective performance obligation when the performance obligation is satisfied.

The Company's revenue consists primarily of the sale of the RECELL System to hospitals or other treatment centers, COSMOTEC and BARDA (collectively, "customers"), predominately in the United States. The Company evaluated the BARDA contract and concluded that a portion of the arrangement, such as the procurement of the RECELL system and the emergency preparedness, represents a transaction with a customer and as such are in the scope of ASC 606. Amounts received from BARDA for the research and development of the Company's product are classified as BARDA income in the Consolidated Statement of Operations and are accounted for under International Accounting Standards 20 ("IAS 20"). For further details refer to BARDA Income and Receivables below.

Revenues for commercial customers (hospitals, treatment centers and COSMOTEC) are recognized as control of the product is transferred to customers, at an amount that reflects the consideration expected to be received in exchange for the product. Revenues are recognized net of volume discounts. As such, revenue is recognized only to the extent a significant reversal of revenues is not expected to occur in subsequent periods. For the Company's contracts that have an original duration of one year or less, the Company elected the practical expedient applicable to such contracts and does not consider the time value of money. Further, because of the short duration of these contracts, the Company has not disclosed the transaction price for the remaining performance obligations as of each reporting period or when the Company expects to recognize this revenue. The Company has further applied the practical expedient to exclude sales tax in the transaction price and expense contract acquisition costs such as commissions and shipping and handling expenses as incurred.

For revenues related to the BARDA contract within the scope of ASC 606, the Company identified two performance obligations (i) the procurement of 5,614 RECELL units, (ii) emergency preparedness services. Through this contract the Company promises to procure the product through a vendor management inventory arrangement and to stand ready to provide emergency deployment services related to the product. Emergency preparedness services include procuring necessary storage containers, housing, and maintaining the containers (and product), and providing shipping and handling services in the event of an emergency situation. This stand ready obligation is a series of distinct services that are substantially the same and have the same pattern of transfer to the customer, overtime as services are consumed.

At contract inception, the total transaction price for the portion of the BARDA contract that is within the scope of ASC 606, was determined to be $9.2 million. The transaction price was allocated on a stand-alone selling price basis as follows: $7.6 million to the procurement of the RECELL product, which is classified as Revenues when recognized in the Consolidated Statement of Operations and $1.6 million to the emergency deployment services which is classified as Revenues when recognized in the Consolidated Statement of Operations. The $1.6 million for emergency deployment includes variable consideration which is deemed immaterial to the contract as a whole. The Company estimated the stand-alone selling price of the procurement of the RECELL product based on historical pricing of the Company's product at the initial execution of the contract. The Company estimated the

stand-alone selling price of the emergency deployment services performed based on the Company's projected cost of providing the services plus an applicable profit margin as denoted in the contract.

The Company's performance obligations are either satisfied at a point in time or over time as services are provided. The product procurement performance obligation is satisfied at a point in time, upon transfer of control of the product. RECELL units that have been delivered to BARDA have a product replacement obligation at no cost to BARDA due to product's limited shelf-life. The estimated cost of the expired inventory over the term of the contract is recognized on a per unit basis at the time of delivery. The estimated liability is released upon replacement of the product along with a corresponding reduction to inventory. The emergency preparedness services performance obligation is satisfied over time. Revenue for the emergency deployment will be recognized on a straight-line basis during the term of the contract as services are consumed over time. Services recognized are included in sales within the Consolidated Statement of Operations. Contract costs to fulfil the performance obligations are incremental and expected to be recovered are capitalized and amortized on a straight-line basis over the term of the contract. Contract costs are included in other current assets.

Contract Liabilities

The Company receives payments from customers based on contractual terms. Trade receivables are recorded when the right to consideration becomes unconditional. The Company satisfies its performance obligation on product sales when the products are shipped or delivered, depending on the terms of the sale. Payment terms on invoiced amounts are typically 30 days, and do not include a financing component. Contract liabilities are recorded when the Company receives payment prior to satisfying its obligation to transfer goods to a customer.

Cost of Sales

Cost of sales related to products includes costs to manufacture or purchase, package, and ship the Company's products. Costs also include relevant production overhead and depreciation and amortization. These costs are recognized when control of the product is transferred to the customer and revenue is recognized.

Income Taxes

Income taxes are accounted for using the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income or loss in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that a portion of the deferred tax asset will not be realized. We recognize interest and penalties related to unrecognized tax benefits on the income tax expense line in the accompanying Consolidated Statement of Operations. Accrued interest and penalties are included on the related tax liability line in the Consolidated Balance Sheet.

The Company reviews its uncertain tax positions regularly. An uncertain tax position represents the Company's expected treatment of a tax position taken in a filed return, or planned to be taken in a future tax return or claim that has not been reflected in measuring income tax expense for financial reporting purposes. The Company recognizes the tax benefit from an uncertain tax position when it is more-likely-than-not that the position will be sustained upon examination on the basis of the technical merits or the statute of limitations for the relevant taxing authority to examine and challenge the tax position has expired.

Cash and cash equivalents

Cash and cash equivalents consists of cash held at deposit institutions, money market funds and short-term highly liquid investments with original maturities of three months or less from the date of purchase. The Company holds cash at deposit institutions in the amount of $10.7 million and $4.1 million, of which $69,000 and $737,000 is denominated in foreign currencies in foreign institutions as of December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, the Company held cash equivalents in the amount of $11.4 million and $14.1 million, respectively.

Concentrations

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, marketable securities, trade receivables, BARDA receivables and other receivables. As of December 31, 2023 and 2022, substantially all of the Company's cash was deposited in accounts at financial institutions, and amounts may exceed federally insured limits and subject to the risk of bank failure.

As of December 31, 2023, no single commercial customer accounted for more than 10% of accounts receivable. As of December 31, 2022, one commercial customer accounted for approximately 10% of net accounts receivable. For the year-ended December 31, 2023, no single commercial customer accounted for more than 10% of total revenues. For the year-ended December 31, 2022, one commercial customer accounted for more than 10% of total revenues.

BARDA revenues for the procurement of the RECELL system accounted for approximately 1% of total revenues for the years-ended December 31, 2023 and 2022, respectively. BARDA receivables for the procurement of the RECELL system and emergency preparedness accounted for approximately 27% and 2% of BARDA receivables as of December 31, 2023 and 2022, respectively. See table below for breakdown of BARDA receivables (in thousands).

	As of	
	December 31, 2023	**December 31, 2022**
BARDA procurement and emergency preparedness services	$ 8	$ 16
BARDA expense reimbursements	22	882
Total	**$ 30**	**$ 898**

Fair Value of Financial Instruments

Certain assets and liabilities are carried at fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

At December 31, 2023 and 2022, the Company's financial instruments included cash, accounts payable, accrued expenses, convertible notes and warrant liabilities. The carrying amounts of accounts payable and accrued expenses approximate fair value due to the short-term maturities of these instruments.

Long-term debt

The Company elected the fair value option ("FVO") of accounting under *ASC 825-10, Financial Instruments* ("ASC 825"), to record the debt at fair value at issuance and subsequently remeasures to fair value each reporting period. The Company elected the fair FVO option of accounting of ASC 825 for the debt from the issuance date in order to not have to bifurcate any embedded derivatives in accordance with ASC 815 *Derivatives and Hedging – Contracts in Entity's Own Equity* ("ASC 815"). The debt accounted for under the FVO represents a financial instrument containing embedded features which would otherwise be required to be bifurcated from the debt-host and recognized as separate derivative liabilities subject to initial and subsequent periodic estimated fair value measurements under ASC 815. The Company has elected to present interest expense separately from changes in fair value and therefore will present interest expense associated with the debt as Interest expense in the Consolidated Statement of Operations. Any changes in fair value caused by instrument-specific credit risk are presented separately in Other comprehensive income ("OCI") in the Consolidated Balance Sheets. Changes in fair value attributable to changes in credit risk are determined using observable option adjusted spreads for the issuer or comparable companies with similar credit ratings. All costs associated with the issuance of the Credit Agreement

accounted for using the FVO were expensed upon issuance. The fair value of the debt is determined using a Monte Carlo Simulation and classified as Level 3 in the fair value hierarchy. For further details refer to Note 4.

Presentation and Valuation of the Warrants

Warrants are accounted for as liabilities in accordance with ASC 815- 40 and were presented within Warrant liability on the Consolidated Balance Sheet as of December 31, 2023. The initial fair value of the warrant liability is measured at fair value at the date of issuance and are remeasured at each reporting date until settlement. Changes in the fair value of the warrant liability is recognized in Other income, net in the Consolidated Statement of Operations for the year ended December 31, 2023.

The Company established the fair value of the warrants utilizing the Black-Scholes pricing model. Assumptions used in the valuation are the price of the company stock, expected share-price volatility, expected term, risk-free interest rate and dividend yield. The Company estimates the volatility based on historical volatility that matches the expected remaining life of the warrants. The expected term of the warrants is assumed to be equivalent to their remaining contractual term. The dividend rate is based on the historical rate, which the Company anticipates to remain at zero. The warrants were classified Level *3* fair value measurement, due to the use of unobservable inputs.

Marketable Securities

We classify all highly liquid investments with original maturities of three months or less from the date of purchase as cash equivalents and all highly liquid investments with stated maturities of greater than three months as marketable securities. The Company classifies marketable securities as short-term when they have remaining contractual maturities of one year or less from the balance sheet date, and as long-term when the investments have remaining contractual maturities of more than one year from the balance sheet date. Classification is determined at the time of purchase and re-evaluated each balance sheet date. Short-term marketable securities represent investment of cash available for current operations. We account for our marketable securities as available-for-sale securities.

All marketable securities, which consist of corporate debt securities, asset backed securities, U.S treasury and commercial paper are denominated in the U.S. dollars, have been classified as “available for sale”, and are carried at fair value. Unrealized gains and losses, net of any related tax effects, are excluded from earnings and are included in other comprehensive income (loss) and reported as a separate component of stockholders equity until realized. Realized gains and losses on marketable securities are included in Other income, net, in the accompanying Consolidated Statements of Operations. The cost of any marketable securities sold is based on the specific identification method. The amortized cost of marketable securities is adjusted for amortization of premiums and accretion of discounts to maturity. Interest on marketable securities is included in Other income, net in the Consolidated Statements of Operations. In accordance with the Company’s investment policy, management invests to diversify credit risk and only invests in securities with high credit quality, including U.S. government securities, and the maximum final maturity from the date of purchase is thirty-seven months.

If necessary, the Company will recognize an allowance for credit losses on available-for-sale debt securities on an individual basis, and will no longer consider other than-temporary impairment or immediately reduce the cost basis of the investment provided that it is more likely than not that the security will be held to recovery or maturity. Further, the Company will recognize any improvements in estimated credit losses on available-for-sale debt securities immediately in earnings and reduce the existing allowance for credit losses. The Company will disaggregate its available-for-sale marketable securities into the following categories: commercial paper, corporate debt, government and agency securities and money market funds. The Company’s corporate bonds are comprised of predominantly high-grade corporate bonds while its government and agency securities are U.S. treasury bonds, and U.S. agency bonds. The Company has analyzed both corporate bonds and government and agency securities and identified that both types of securities have similar risk characteristics in that they are traded infrequently and have contractual interest rates and maturity dates.

To evaluate for impairment, management reviews credit rating changes, securities trends, interest rate movements and unrealized loss at the security level of the Company’s available for sale debt securities. If any of these give rise to a potential credit concern, the Company performs a discounted cash flow analysis to determine the credit portion of the impairment. The discounted cash flow analysis will be performed either internally or through the assistance of a qualified third party. Once the credit component of the impairment is determined, the Company will record the impaired amount as an allowance to the available-for-sale debt securities balance and as a charge to other income in the accompanying Consolidated Statements of Operations, not to exceed the amount of the unrealized loss. The Company assesses expected credit losses at the end of each reporting period and adjusts the allowance through Other income, net.

Accounts Receivable

Accounts receivable are recorded net of customer allowances for credit losses. The Company estimates an allowance for expected credit losses (i.e., the inability of our customers to make required payments). These estimates are based on a combination of past experience and current trends. In estimating the allowance for expected credit losses, consideration is given to the current aging of receivables, a specific review for potential bad debts and an evaluation of historic write-offs. The resulting bad debt expense is included in sales and marketing expenses in the Consolidated Statement of Operations. Receivables are written-off when deemed uncollectible. As of December 31, 2023 and 2022, the allowance for credit losses was $48,000 and $24,000, respectively.

A rollforward of the activity in the Company's allowance for doubtful account is as follows (in thousands):

	Year-ended	
	December 31, 2023	**December 31, 2022**
Balance at beginning of year	$ 24	$ 28
Additions: change to cost and expense	24	5
Deductions: write-offs, net of recovery	-	(9)
Balance at end of year	$ 48	$ 24

BARDA Income and Receivables

The Company was awarded a BARDA grant in September 2015. Under this grant BARDA supported the Company's research and development for the Company's product, including U.S. clinical regulatory program targeted towards FDA PMA, compassionate use programs, clinical and health economics research, U.S. pediatric burn programs and the clinical trial in soft-tissue reconstruction, which led to the full-thickness skin defect indication.

Consideration received under the BARDA grant is earned and recognized under a cost-plus-fixed-fee arrangement in which the Company is reimbursed for direct costs incurred plus allowable indirect costs and a fixed-fee earned. Billings under the contracts are based on approved provisional indirect billing rates, which permit recovery of fringe benefits, general and administrative expenses and a fixed fee.

The Company has concluded that grants under the BARDA grant are not within the scope of ASC 606, as they do not meet the definition of a contract with a "customer." The Company has further concluded that Subtopic 958-605, *Not-for-Profit-Entities-Revenue Recognition* also does not apply, as the Company is a business entity and the grants are with governmental agencies or units. With respect to the BARDA grant, we considered the guidance in IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance,* by analogy. BARDA income and related receivables are recognized when there is reasonable assurance that the grant will be received, and all attaching conditions have been complied with. When the grant relates to an expense item, the grant received is recognized as income over the period when the expense was incurred.

Inventory

Inventory is valued at the lower of cost or estimated net realizable value and is reflected in cost of sales. Costs incurred in bringing each product to its present location and condition are accounted for at purchase cost on a first-in, first-out basis ("FIFO"). The Company capitalizes inventory costs associated with the Company's products when, based on management's judgment, future commercialization is considered probable and the future economic benefit is expected to be realized; otherwise, such costs are expensed as research and development. Inventory is evaluated for impairment periodically to identify inventory obsolescence when an inventory item's cost basis is in excess of its net realizable value. These adjustments are based upon multiple factors, including inventory levels, projected demand, and product shelf life.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs to complete the sale.

Leases

The Company has operating leases for corporate office space, manufacturing and warehouse facility. The Company's operating leases have remaining lease terms of one year to five years, some of which include options to renew the lease. At contract inception, the Company determines whether the contract is a lease or contains a lease. A contract contains a lease if the Company is both able to identify an asset and can conclude it has the right to control the identified asset for a period of time. Leases with an initial term of twelve months or less are not recorded on the Consolidated Balance Sheet.

Right-of-use ("ROU") assets represent the Company's right to control an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Company's leases do not provide an explicit rate, the Company used its incremental borrowing rate ("IBR") based on the information available at commencement date in determining the discount rate used to present value lease payments. In determining the IBR, the Company considered its credit rating and current market interest rates. The IBR used approximates the interest that the Company would be required to pay for a collateralized loan over a similar term. The Company's leases typically do not include any residual value guarantees or asset retirement obligations.

The Company's lease terms are only for periods in which it has enforceable rights. A lease is no longer enforceable when both the lessee and the lessor each have the right to terminate the lease without permission from the other party with no more than an insignificant penalty. The Company has options to renew some of these leases for three years after their expiration. The Company considers these options, which may be elected at the Company's sole discretion, in determining the lease term on a lease-by-lease basis. Lease expense is recognized on a straight-line basis over the lease term and is primarily included in general and administrative expenses in the accompanying consolidated statements of operations.

The Company has lease agreements with lease and non-lease components, which are accounted for as a single lease component for all underlying asset classes. Some leases require variable payments for common area maintenance, property taxes, parking, insurance and other variable costs. The variable portion of lease payments is not included in operating lease assets or liabilities. Variable lease costs are expensed when incurred.

Property, Plant and Equipment

The Company's property, plant and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation is computed based on the straight-line method over the estimated useful lives of the various asset classes, generally three to seven years. Leasehold improvements are amortized over the shorter of the life of the related asset or the remaining term of the lease. Costs associated with customized internal-use software systems that have reached the application development stage and meet recoverability tests are capitalized and include external direct costs utilized in developing or obtaining the applications and payroll and payroll-related expenses for employees who are directly associated with the application development. Maintenance and repairs are expensed as incurred.

Intangible Assets

The Company maintains definite-lived intangible assets related to patents initially measured at cost and amortized over estimated useful lives of approximately 3—20 years. The Company had capitalized patent costs of $616,000 and $558,000 as of December 31, 2023 and 2022, respectively, related to regulatory approval of the RECELL System, and are being amortized over their estimated useful lives.

Impairment of Long-Lived Assets

The Company evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the estimated, undiscounted future cash flows is less than the carrying amount of the asset, then an impairment is recognized for the amount by which the carrying value of the asset exceeds its estimated fair value. Fair value is determined using the market, income, or cost approaches as appropriate for the asset. Any write-downs are treated as permanent reductions in the carrying amount of the asset and recognized as an operating loss. The Company had $4,000 of impairments of long-lived assets for the year-ended December 31, 2023. The Company did not have any impairments in long-lived assets for the year-ended December 31, 2022.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of compensation and employee benefits of sales and marketing personnel and related field sales organization, marketing events, advertising costs, travel, trade shows and other marketing materials. The Company expenses all selling and marketing costs as incurred. Advertising expenses were $398,000 and $216,000 for the years-ended December 31, 2023 and 2022, respectively.

Research and Development Expenses

Research and development expenses represent costs incurred to develop the Company's products. Research and development expenses consist primarily of salaries and other personnel costs, clinical trial costs, regulatory costs and manufacturing costs for non-commercial products. The Company expenses all research and development costs in the periods in which they are incurred.

Stock-Based Compensation

The Company records compensation expense for stock options and restricted stock units ("RSU") based on the fair market value of the awards on the date of grant. The fair value of stock-based compensation awards is amortized over the vesting period of the award. Compensation expense for performance-based awards is evaluated based on the number of shares ultimately expected to vest, evaluated each reporting period and based on management's expectations regarding the relevant performance criteria. The Black-Scholes option pricing model and Monte Carlo Simulation are used to estimate the fair value of the time-based and performance-based options, respectively. Under *ASU 2016-09*, *Compensation – Stock Compensation ("*ASC 718*") Improvements to Employee Share-Based Payment Accounting*, the Company elected to account for forfeitures as they occur.

The following assumptions were used in the valuation of stock options.

- Expected volatility – determined using the historical volatility using daily intervals over the expected term.
- Expected dividends - based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future
- Expected term – the expected term of the Company's stock options for tenure only vesting has been determined utilizing the "simplified" method as described in the SEC's Staff Accounting Bulletin No. 107 relating to share-based compensation. The simplified method was chosen because the Company has limited historical option exercise experience due to its short operating history of awards granted, with the first plan being established in 2016 which was primarily used for executive awards. Further, the Company does not have sufficient history of exercises in the U.S. market given the Company's redomiciliation from Australia to the United States in 2020. The expected term of options with a performance condition or market condition was set to the contractual term of 10 years. The contractual term was used for options with a performance or market condition as these are primarily awarded to executives and the Company assumes that they will hold them longer than rank and file employees.
- Risk-free interest rate – the risk-free interest rate is based on the U.S. Treasury yield in effect at the time of grant for a period approximately equal to the expected term of the award.

Employee Stock Purchase Plan ("ESPP")

The Company's ESPP, features two six-month offering periods per year, running from June 1 to November 30 and December 1 to May 31. The ESPP provides eligible employees with an opportunity to purchase shares of the Company's common stock through payroll deductions of up to 15% of their eligible compensation. Under the ESPP, employees can purchase the Company's Common Stock at the lower of 85% of the fair value of shares on either the first or last day of the offering period. Amounts deducted and accumulated by the participant are recorded as ESPP liability and included in Accrued wages and fringe benefits in the Consolidated Balance Sheets. This amount is used to purchase shares of common stock at the end of each six-month purchase period. Once the shares are purchased, the ESPP liability is reclassified to stockholders' equity on the purchase date. The ESPP is a compensatory plan accounted for under the expense recognition provision of share-based payment accounting standards. Compensation expense is recorded based on the fair market value at the grant date, which corresponds to the first day of each purchase period. The Black-Scholes option pricing model is used to estimate the grant date fair value.

Loss per Share

Basic net loss per share is computed by dividing net loss by the weighted-average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing net loss by the weighted-average number of common shares outstanding during the period, assuming potentially dilutive ordinary shares from option exercises, employee share awards, ESPP and warrants and other dilutive instruments that have been issued. For periods where the Company has presented a net loss, potentially dilutive securities are excluded from the computation of diluted net loss per share as they would be anti-dilutive. In accordance with ASC 710-10, *Compensation – General* ("ASC 710"), shares of common stock held by the rabbi trust are excluded from the denominator in the basic and diluted EPS calculations.

Non-Qualified Deferred Compensation Plan Liability and Corporate-Owned Life Insurance Asset

The Company's non-qualified deferred compensation plan (the "NQDC plan"), which became effective in October 2021, allows highly compensated key employees to elect to defer a portion of their salary, bonus and RSU awards to later years.

Management determined that the cash deferrals under the NQDC plan shall be accounted for similarly to a defined benefit plan under ASC 715, *Compensation – Retirement Benefits* ("ASC 715"), and should follow accounting treatment that is similar to a cash balance plan. Management determined that the employee portion and employer portion of the deferred compensation should be recognized as a compensation expense with a corresponding credit to deferred compensation liability. The matching contribution will be accrued over the vesting period of two years with 25% vesting in the first year and 75% vesting in the second year. Employees aged 55 or older immediately vest in employer matching contributions. The change in the liability between each reporting period is accounted for as compensation expense with a corresponding adjustment to deferred compensation liability. Upon distribution, the Company will record the distribution as a decrease to deferred compensation liability with a corresponding credit to cash. The Company funds the NQDC plan through a Corporate-Owned Life Insurance ("COLI"). Per the ASC 325-30-25-1A*, Investments – Other*, COLI is recorded as an asset on the Consolidated Balance Sheets as it does not meet the definition of a plan asset under ASC 715. The Company invests in COLI policies relating to its deferred compensation plan. Investments in COLI policies are recorded at their cash surrender values as of each balance sheet date. Changes in the cash surrender value during the period are recorded as a gain or loss in the Consolidated Statements of Operations in Other income, net.

Rabbi Trust

During April 2022, the Company established a rabbi trust for a select group of participants in which share awards granted under the 2020 Omnibus Incentive Plan ("2020 Plan") and deferred under the NQDC plan may be deposited. In addition to the deferral of shares, the rabbi trust holds the assets in the COLI for the NQDC plan. The rabbi trust is an irrevocable trust, and no portion of the trust fund may be used for any purpose other than the delivery of those assets to the participants. The assets held in the rabbi trust are subject to the claims of our general creditors in the event of bankruptcy or insolvency. The value of the assets of the rabbi trust is consolidated into our financial statements.

The NQDC plan permits diversification of vested shares (common stock) into other equity securities subject to a six-month and one day holding period subsequent to vesting. Per ASC 710-10-25-15, accounting for deferred common stock will be under plan type C or D. Accounting will depend on whether or not the employee has diversified the common stock. Under Plan type C, diversification is permitted but the employee has not diversified. Under plan type D, diversification is permitted, and the employee has diversified.

For common stock that have not been diversified, the employer stock held in the rabbi trust is classified in a manner similar to treasury stock and presented separately on the Consolidated Balance Sheets as Company common stock held by the NQDC plan. The common stock will be recorded at the fair value of the stock at the time it vested, subsequent changes in the value of the common stock will not be recognized. The deferred compensation obligation is measured independently at fair value of the common stock with a corresponding charge or credit to compensation cost. The fair value is calculated as the product of the common stock and the closing price of the stock each reporting period.

Under plan type D, the accounting for the assets held by the rabbi trust is subject to the accounting pronouncements under applicable GAAP for each asset type. The deferred compensation obligation is measured independently at fair value of the underlying assets. During the year-ended December 31, 2023, diversified stock was invested in funds under the COLI policy.

Non-Qualified Deferred Compensation Stock Awards

In accordance with ASC 718*, Compensation — Stock Compensation*, the deferred RSU awards under the NQDC plan are classified as an equity instrument and changes in fair value of the amount owed to the participant are not recognized. As the plan permits diversification, presentation outside of permanent equity in accordance with *ASR 268, Redeemable Preferred Stock* is appropriate. The redemption amounts are based on the vested percentage and are recorded outside of equity as Non-qualified deferred compensation share awards on the Consolidated Balance Sheets. Deferred awards will be presented outside of permanent equity until the awards are vested. For further details refer to Note 18.

Segment Reporting

Operating segments are defined as components of an enterprise for which separate discrete financial information is available for evaluation by the chief operating decision-maker in making decisions regarding resource allocation and assessing performance. The Company's chief operating decision-maker is its Chief Executive Officer. To date, the Company has viewed its operations and manages its business as one segment.

3. Marketable Securities

The following table summarizes the amortized cost and estimates fair values of debt securities available for sale:

(in thousands)	As of December 31, 2023 Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Carrying Value
Cash equivalents:				
Money market funds	$ 8,427	$ -	$ -	$ 8,427
U.S. Treasury securities	2,992	-	-	2,992
Total cash equivalents	$ 11,419	$ -	$ -	$ 11,419
Current marketable securities:				
U.S. Treasury securities	$ 65,145	$ 100	$ (3)	$ 65,242
U.S. Government agency obligations	1,699	-	(2)	1,697
Total current marketable securities	$ 66,844	$ 100	$ (5)	$ 66,939

(in thousands)	As of December 31, 2022 Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Carrying Value
Cash equivalents:				
Money market funds	$ 14,089	$ -	$ -	$ 14,089
Total cash equivalents	$ 14,089	$ -	$ -	$ 14,089
Current marketable securities:				
U.S. Treasury securities	$ 43,092	$ 1	$ (393)	$ 42,700
Commercial paper	12,743	-	-	12,743
Corporate debt securities	3,865	-	(23)	3,842
U.S. Government agency obligations	1,901	-	(8)	1,893
Total current marketable securities	$ 61,601	$ 1	$ (424)	$ 61,178
Long-term marketable securities:				
Asset backed securities	$ 3,568	$ 7	$ (3)	$ 3,572
U.S. Treasury securities	2,416	-	(6)	2,410
U.S. Government agency obligations	949	-	(1)	948
Total long-term marketable securities	$ 6,933	$ 7	$ (10)	$ 6,930

The maturities of debt securities available for sale are summarized in the following table using contractual maturities. Actual maturities may differ from contractual maturities due to obligations that are called or prepaid.

(in thousands)	As of December 31, 2023 Amortized Cost	Carrying Value	As of December 31, 2022 Amortized Cost	Carrying Value
Due in one year or less	$ 66,844	$ 66,939	$ 61,601	$ 61,178
Due after one year through three years	$ -	$ -	$ 6,933	$ 6,930

Gross unrealized gains and losses on the Company's marketable securities were an unrealized gain of $100,000 and an unrealized loss of $5,000 as of December 31, 2023 which resulted in a net unrealized gain of $95,000. Gross unrealized gains and losses on the Company's marketable securities were an unrealized gain of $8,000 and an unrealized loss of $434,000 as of December 31, 2022 which resulted in a net unrealized loss of $426,000.

During the years-ended December 31, 2023 and 2022, the Company did not recognize credit losses. The Company has accrued interest income of $227,000 and $168,000 as of December 31, 2023 and, 2022, recorded in Prepaids and Other Current Assets, respectively. Money market funds were included in the cash and cash equivalents line item.

4. Fair Value Measurements

The authoritative guidance on fair value measurements establishes a framework with respect to measuring assets and liabilities at fair value on a recurring basis and non-recurring basis. Under the framework, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. The framework also establishes a three-tier hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the factors market participants would use in valuing the asset or liability and are developed based on the best information available in the circumstances. The hierarchy consists of the following three levels:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable inputs for the asset or liability

The following tables present information about the Company's financial assets measured at fair value on a recurring basis, based on the three-tier fair value hierarchy:

	As of December 31, 2023			
(in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash equivalents:				
Money market funds	$ 8,427		$ -	$ 8,427
U.S. Treasury securities	$ -	2,992	$ -	2,992
Total cash equivalents	**$ 8,427**	**$ 2,992**	**$ -**	**$ 11,419**
Current marketable securities:				
U.S. Treasury securities	$ -	$ 65,242	$ -	$ 65,242
U.S. Government agency obligations	-	1,697	-	1,697
Total current marketable securities	**$ -**	**$ 66,939**	**$ -**	**$ 66,939**
Total marketable securities and cash equivalents	**$ 8,427**	**$ 69,931**	**$ -**	**$ 78,358**
Financial liabilities:				
Long-term debt	$ -	$ -	$ 39,812	$ 39,812
Warrant liability	-	-	3,158	$ 3,158
Non-qualified deferred compensation plan liability	-	3,831	-	$ 3,831
Total financial liabilities	**$ -**	**$ 3,831**	**$ 42,970**	**$ 46,801**
Financial assets:				
Corporate-owned life insurance policies	$ -	$ 2,475	$ -	$ 2,475
Total financial assets	**$ -**	**$ 2,475**	**$ -**	**$ 2,475**

(in thousands)	As of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	$ 14,089	$ -	$ -	$ 14,089
Total cash equivalents	**$ 14,089**	**$ -**	**$ -**	**$ 14,089**
Current marketable securities:				
U.S. Treasury securities	-	42,700	-	42,700
Commercial paper	-	12,743	-	12,743
Corporate debt securities	-	3,842	-	3,842
U.S. Government agency obligations	-	1,893	-	1,893
Total current marketable securities	**$ -**	**$ 61,178**	**$ -**	**$ 61,178**
Long-term marketable securities:				
Asset backed securities	$ -	$ 3,572	$ -	$ 3,572
U.S. Treasury securities	-	2,410	-	2,410
U.S. Government agency obligations	-	948	-	948
Total long-term marketable securities	**$ -**	**$ 6,930**	**$ -**	**$ 6,930**
Total marketable securities and cash equivalents	**$ 14,089**	**$ 68,108**	**$ -**	**$ 82,197**
Financial liabilities:				
Non-qualified deferred compensation plan liability	$ -	$ 1,348	$ -	$ 1,348
Total financial liabilities	**$ -**	**$ 1,348**	**$ -**	**$ 1,348**
Financial assets:				
Corporate-owned life insurance policies	$ -	$ 1,238	$ -	$ 1,238
Total financial assets	**$ -**	**$ 1,238**	**$ -**	**$ 1,238**

The following table presents the summary of changes in the fair value of our Level 3 financial instruments:

	As of December 31, 2023	
	Long-term debt	Warrant liability
Value at beginning of period	$ -	$ -
Fair value at issuance date - October 18, 2023	37,575	2,425
Change in fair value in earnings	1,616	733
Change in fair value in OCI	621	-
Balance at December 31, 2023	$ 39,812	$ 3,158

The Company's Level 1 assets include money market instruments and are valued based upon observable market prices. Level 2 assets consist of commercial paper, asset back securities and corporate debt securities, U.S. Government Agency obligations and U.S Treasury securities. Level 2 securities are valued based upon observable inputs that include reported trades, broker/dealer quotes, bids and offers. As of December 31, 2022, the Company had no investments that were measured using unobservable (Level 3) inputs. There were no transfers between fair value measurement levels during the years-ended December 31, 2023 and 2022. Cash equivalents consist of money market funds and are classified as a Level 1. The corporate-owned life insurance contracts are recorded at cash surrender value, which is provided by a third party and reflects the net asset value of the underlying publicly traded mutual funds and are categorized as Level 2. Non-qualified deferred compensation plan liability is measured at fair value based on quoted prices of identical instruments to the investment vehicles selected by the participants.

Long-term debt

The fair value of the debt was determined using a Monte Carlo simulation in order to predict the probability of different outcomes. The valuation was performed based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. The fair value of the debt is recorded in the Consolidated Balance Sheets. The fair value is estimated by the Company each reporting period and the change in the fair value is recorded in earnings.

The below assumptions were used in the Monte Carlo simulation

- risk free interest rate
- revenue volatility
- revenue discount rate

- future revenue projection
- expected dividend rate

Warrant Liability

The fair value of the warrant liability is recognized in connection with the Credit Agreement. The fair value of the warrant liability was determined based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. The fair value of the warrant liability, which is reported within Warrant liabilities on the Consolidated Balance Sheets, is estimated by the Company based on the Black Scholes option pricing model with the following unobservable inputs (Level 3):

- price of common stock
- expected term
- exercise price
- expected volatility
- expected risk free interest rate
- expected dividend rate

5. Revenues

The Company's revenues consists of sale of the RECELL System to hospitals or other treatment centers, COSMOTEC and to BARDA (collectively "customers"), predominately in the United States. In addition, the Company records service revenue for the emergency preparedness services provided to BARDA.

Performance Obligations

For commercial contracts, we identified the hospital or treatment center and COSMOTEC as the customer in Step 1 of the ASC 606 5 step model and have determined a contract exists with those customers in Step 1. As these contracts typically have a single performance obligation (i.e. product delivery), no allocation of the transaction price is required in Step 4 of the model. Control of the product is transferred to the customer at a point in time. Specifically, we determined the customer obtains control of the product at point in time at which the goods are either shipped or delivered to our customers' facilities, depending on the terms of the contract. The transaction price is stated within the contract and is therefore fixed consideration. The transaction price does not include the sales tax that are imposed by governmental authorities.

For the contract with BARDA, the Company identified two performance obligations (i) the procurement of 5,614 RECELL units, (ii) emergency preparedness services. The Company's performance obligations are either satisfied at a point in time or over time as services are provided. The product procurement performance obligation is satisfied at a point in time, upon transfer of control of the product. RECELL units that have been delivered to BARDA have a product replacement obligation at no cost to BARDA due to product's limited shelf-life. The estimated cost of the expired inventory over the term of the contract is recognized on a per unit basis at the time of delivery. The estimated liability is released upon replacement of the product along with a corresponding reduction to inventory. The Company has estimated deferred cost of approximately $0 and $194,000 as of December 31, 2023 and 2022, respectively, for the rotation cost of the product, such amounts are recorded in Other current liabilities. The emergency preparedness services performance obligation is satisfied over time. Revenue for the emergency deployment will be recognized on a straight-line basis during the term of the contract as services are consumed over time. Services recognized of $335,000 and $370,000 for the years-ended December 31, 2023 and 2022, respectively, and are included in Revenues within the Consolidated Statement of Operations. Contract costs to fulfil the performance obligation are incremental and expected to be recovered are capitalized and amortized on a straight-line basis over the term of the contract. As of December 31, 2023 and December 31, 2022, contract cost of $0 and $252,000 are included in Other current assets, respectively.

Remaining Performance Obligations

Revenues from remaining performance obligations are calculated as the dollar value of the remaining performance obligations on executed contracts and relate to BARDA and COSMOTEC. The estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) pursuant to the Company's existing customer agreements is $390,000 and $698,000 as of December 31, 2023 and December 31, 2022, respectively. As of December 31, 2023 and December 31, 2022, the Company had $0 and $274,000, respectively, in contract liabilities related to our contract with BARDA for the purchase, delivery and storage of the RECELL system for emergency response preparedness. We are contracted to manage this inventory of product until the federal government requests shipment or at contract termination on December 31, 2023. The Company had $390,000 and $424,000 in contract liabilities as of December 31, 2023 and December 31, 2022, respectively, related to the contract with COSMOTEC. These amounts are split between Other current liabilities and Contract Liabilities in the Consolidated

Balance Sheets. As of December 31, 2023 and December 31, 2022, the Company had $33,000 and $0 in Other current liabilities, respectively. As of December 31, 2023 and December 31, 2022, the Company had $357,000 and $424,000 in Contract Liabilities, respectively. The Company expects to recognize these amounts as revenue on a straight-line basis over the term of the contract with COSMOTEC.

Variable Consideration

The Company evaluates its contracts with customers for forms of variable consideration, which may require an adjustment to the transaction price based on their estimated impact. For commercial customers, revenue from the sale of goods is recognized net of volume discounts. The Company uses the expected value method when estimating variable consideration. Revenue is only recognized to the extent that it is probable that a significant reversal will not occur. Variable consideration under the BARDA contract is not material to the consolidated financial statements.

Volume Discounts — The Company generally provides contracted customers with volume discounts that are explicitly stated in the Company's customer contracts. The RECELL system is sold with respective volume discounts based on aggregated sales over a 12-month period on a customer-by-customer basis. Revenue from these sales is recognized based on the price specified in the contract, net of estimated volume discounts, and net of any sales tax charged. Goods sold are not eligible for return. The Company has determined such discounts are not distinct from the Company's sale of products to the customer and, therefore, these payments have been recorded as a reduction of revenue and as a reduction to accounts receivable, net.

Contract Assets and Contract Liabilities

Contract assets include amounts related to the Company's contractual right to consideration for both completed and partially completed performance for which the Company does not have the right to payment. As of December 31, 2023 and December 31, 2022, the Company does not have any contract assets.

Contract liabilities are recorded when the Company receives payment prior to satisfying its obligation to transfer goods to a customer. The Company had a total of $390,000 and $698,000 in contract liabilities as of December 31, 2023 and December 31, 2022, respectively. These amounts split between Other current liabilities and Contract liabilities in the Consolidated Balance Sheets. The Company had $33,000 and $0 in Other current liabilities as of December 31, 2023 and December 31, 2022, respectively. The Company had $357,000 and $698,000 in Contract liabilities as of December 31, 2023 and December 31, 2022, respectively. The balance relates to the unsatisfied performance obligation for emergency preparedness under the BARDA contract and COSMOTEC. Performance obligation will be recognized over time over the term of the contract. For the years-ended December 31, 2023 and 2022, the Company recognized $335,000 and $370,000 of BARDA revenue from amounts included in the beginning balance of contract liabilities, respectively. For the years-ended December 31, 2023 and 2022, the Company recognized $33,000 and $11,000 of revenue for COSMOTEC for amounts included in the beginning balance of contract liabilities, respectively.

Cost to Obtain and Fulfill a Contract

Contract fulfillment costs include commissions and shipping expenses. The Company has opted to immediately expense the incremental cost of obtaining a contract when the underlying related asset would have been amortized over one year or less. The Company generally does not incur costs to obtain new contracts.

BARDA Contract Costs

Cost to fullfil the BARDA emergency preparedness performance obligation, which primarily consist of billed costs to BARDA incurred in connection with the emergency deployment services, are incremental and expected to be recovered. Costs are capitalized and amortized on a straight-line basis over the term of the contract. As of December 31, 2023, the Company did not have any contract costs remaining in Other current assets. As of December 31, 2022, the Company had $252,000 of contract costs included in other current assets. Amortization expense related to deferred contract costs were $341,000 and $338,000 during the years-ended December 31, 2023 and 2022, respectively and are classified as cost of sales on the accompanying Consolidated Statements of Operations. There was no impairment loss in relation to deferred contract costs during the years-ended December 31, 2023 and 2022.

Disaggregated Revenue

The Company disaggregates revenue from contracts with customers into geographical regions and by customer type. As noted in the segment footnote, the Company's business consists of one reporting segment. A reconciliation of disaggregated revenue by geographical region and customer type is provided in Segment Note 12.

6. Long-term debt

On October 18, 2023 (“Closing Date”) the Company entered into a Credit Agreement, by and between the Company, as borrower, and an affiliate of OrbiMed as the lender and administrative agent (the “Lender”). The Credit Agreement provides for a five-year senior secured credit facility in an aggregate principal amount of up to $90.0 million, of which (i) $40.0 million was made available on the Closing Date (the “Initial Commitment Amount”), (ii) $25.0 million will be made available, at the Company’s discretion, on or prior to December 31, 2024, subject to certain net revenue requirements, and (iii) $25.0 million will be made available, at the Company’s discretion, on or prior to June 30, 2025, subject to certain net revenue requirements. The maturity date of the agreement is October 18, 2028 ("Maturity Date"). On the Closing date, the Company closed on the Initial Commitment Amount of $40.0 million, less certain fees and expenses payable to or on behalf of the Lender. The Company received net proceeds of $38.8 million upon closing after deducting the Lender's transaction costs in connection with the issuance.

All obligations under the Credit Agreement will be guaranteed by all of the Company’s wholly owned subsidiaries (subject to certain exceptions) and secured by substantially all of the Company's and each guarantor's assets. The loan will be due in full on the Maturity Date unless the Company elects to repay the principal amount at any time prior to the Maturity Date. Upon prepayment, the Company will owe the applicable repayment premium and exit fee of 3% on the principal amount of the Loans. The repayment premium varies between 0% - 3%, depending on certain conditions that are defined in the Credit Agreement. Note that the Repayment premium incorporates the make-whole amount. The make-whole amount represents the remaining scheduled interest payments on the loan during the period commencing on the prepayment date through the 24-month anniversary of the closing date. The Credit Agreement further states that the Company will be required to repay the principal amount of the Loans if the Company does not achieve certain net revenue thresholds. If, for any quarter until the maturity date, the Company’s net revenue does not equal or exceed the applicable trailing twelve-month amount as set forth in the Credit Agreement, then the Company shall repay in equal quarterly installments equal to 5.0% of the outstanding principal amount on the date the net revenue amount was not satisfied, together with a repayment premium and exit fee. The Company shall repay amounts outstanding in full immediately upon an acceleration as a result of an event of default as set forth in the Credit Agreement, together with a repayment premium and other fees. As of December 31, 2023, the Company has not made any repayments on the outstanding debt balance.

During the term of the Credit Agreement, interest payable in cash by the Company shall accrue on any outstanding debt at a rate per annum equal to the greater of (x) the SOFR rate for such period and (y) 4.00% plus, in either case, 8.00%. As of December 31, 2023, the interest rate was 13.34%. During an event of default, any outstanding amount will bear interest at a rate of 4.00% in excess of the otherwise applicable rate of interest. The Company will pay certain fees with respect to the Credit Agreement, including an upfront fee, an unused fee on the undrawn portion of the Loan Facility, an administration fee, a repayment premium and an exit fee, as well as certain other fees and expenses of the Lender. The undrawn fee accrues at 0.5% of the undrawn balance and its recorded as an asset in the Consolidated Balance Sheets.

The Credit Agreement contains certain customary events of default, including with respect to nonpayment of principal, interest, fees or other amounts; material inaccuracy of a representation or warranty; failure to perform or observe covenants; material defaults on other indebtedness; bankruptcy and insolvency events; material monetary judgments; loss of certain key permits, persons and contracts; material adverse effects; certain regulatory matters; and any change of control. As of December 31, 2023, the Company was in compliance with all financial covenants in the Credit Agreement.

Each of the Credit Agreement and a Pledge and Security Agreement entered into by the Company, the guarantors and the Lender on October 18, 2023 (the “Pledge and Security Agreement”) contains a number of customary representations, warranties and covenants that, among other things, will limit or restrict the ability of the Company and its subsidiaries to (subject to certain qualifications and exceptions): create liens and encumbrances; incur additional indebtedness; merge, dissolve, liquidate or consolidate; make acquisitions, investments, advances or loans; dispose of or transfer assets; pay dividends or make other payments in respect of their capital stock; amend certain material documents; redeem or repurchase certain debt; engage in certain transactions with affiliates; and enter into certain restrictive agreements. In addition, the Company and guarantors will be required to maintain at least $10.0 million of unrestricted cash and cash equivalents.

On the Closing Date, the Company issued to an affiliate of the Lender a warrant (the “Warrant”) to purchase up to 409,661 shares of the Company’s common stock, par value $0.0001 per share (“Common Stock”), at an exercise price of $10.9847 per share, with a term of 10 years from the issuance date. The Warrant contains customary share adjustment provisions, as well as weighted average price protection in certain circumstances.

As permitted under ASC 825, the Company elected the fair value option to account for the Credit Agreement, and recorded the Credit Agreement and warrants at fair value with changes in fair value recorded in the Consolidated Statements of Operations in Other income, net. Changes related to instrument specific credit risk are recorded in other comprehensive income in the Consolidated

Balance Sheet. For changes in fair value refer to Note 4. The Company incurred debt issuance costs of $775,000, which were expensed as incurred and recorded in Other income, net. The Company also incurred a loss on issuance of $1.2 million as the fair value of the debt and warrant exceeded the proceeds received.

7. Leases

During February 2023, the Company remeasured the lease liability for an office lease due to an increase in the lease term. As a result of the remeasurement of the lease liability, there was an increase of approximately $1.1 million to the operating lease ROU assets and operating lease liabilities. There was no impact on earnings as a result of the lease modification.

During May 2023, the Company entered into a new office lease in Irvine, California. The lease commenced during July 2023 and resulted in an increase of $1.1 million in the operating lease ROU asset and operating lease liabilities.

During December 2023, the Company expanded the square footage of the Ventura Warehouse by 3,360 square feet for a term of 12.5 months. The lease commenced during December 2023 and resulted in an increase of approximately $50,000 in the operating lease ROU asset and operating lease liabilities.

The following table sets forth the Company's operating lease expenses which are included in operating expenses in the Consolidated Statements of Operations (in thousands):

	Year-Ended	
	December 31, 2023	December 31, 2022
Operating lease cost	$ 929	$ 775
Variable lease cost	101	51
Total lease cost	$ 1,030	$ 826

Supplemental cash flow information related to operating leases was as follows (in thousands):

	Year-Ended	
	December 31, 2023	December 31, 2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from operating leases	$ 815	$ 803

Supplemental balance sheet information, as of December 31, 2023 and 2022, related to operating leases was as follows (in thousands, except for operating lease weighted average remaining lease term and operating lease weighted average discount rate):

	As of	
	December 31, 2023	December 31, 2022
Reported as:		
Operating lease right-of-use assets	$ 2,440	$ 851
Total right-of-use assets	$ 2,440	$ 851
Other current liabilities:		
Operating lease liabilities, short-term	$ 895	$ 612
Operating lease liabilities, long term	1,702	306
Total operating lease liabilities	$ 2,597	$ 918
Operating lease weighted average remaining lease term (years)	3.31	1.44
Operating lease weighted average discount rate	8.75%	6.71%

As of December 31, 2023, maturities of the Company's operating lease liabilities are as follows (in thousands):

	Operating Leases
2024	$ 1,079
2025	738
2026	684
2027	318
2028	190
Total lease payments	3,009
Less imputed interest	(412)
Total operating lease liabilities	$ 2,597

At December 31, 2023 there were no leases entered into that had not yet commenced. On January 4, 2024, the Company executed the second amendment to the Ventura Warehouse to extend the lease for an additional three years. Refer to subsequent events footnote for more information.

8. Inventory

The composition of inventories is as follows (in thousands):

	As of	
	December 31, 2023	December 31, 2022
Raw materials	$ 3,683	$ 1,131
Work in process	878	384
Finished goods	1,035	610
Total inventory	$ 5,596	$ 2,125

The Company has reduced the carrying value of its inventories to reflect the lower of cost or net realizable value. Charges for estimated excess and obsolescence are recorded in cost of sales in the Consolidated Statement of Operations and were $221,000 and $375,000 for the years-ended December 31, 2023 and 2022, respectively.

9. Intangible Assets

The composition of intangible assets is as follows (in thousands):

		As of December 31, 2023			As of December 31, 2022		
	Weighted Average Useful Life	Gross Amount	Accumulated Amortization	Net Carry Amount	Gross Amount	Accumulated Amortization	Net Carry Amount
Patent 1	3	17	$ (17)	-	$ 17	$ (16)	$ 1
Patent 2	13	141	(39)	102	137	(28)	109
Patent 3	13	206	(54)	152	194	(39)	155
Patent 5	19	99	(11)	88	89	(6)	83
Patent 6	19	56	(6)	50	43	(4)	39
Patent 7	13	2	-	2	2	-	2
Patent 8	18	29	(1)	28	13	-	13
Patent 9	3	3	-	3	-	-	-
Patent 10	19	3	-	3	3	-	3
Patent 11	19	6	(1)	5	6	-	6
Trademarks	Indefinite	54	-	54	54	-	54
Total intangible assets		$ 616	$ (129)	$ 487	$ 558	$ (93)	$ 465

During the year-ended December 31, 2023, the Company recorded an impairment charge of approximately $4,000 in General and administrative expenses in the Consolidated Statement of Operations. During the year-ended December 31, 2022, the Company did not identify any events or changes in circumstances that indicated the carrying value of its intangibles may not be recoverable. As such, there was no impairment of intangibles assets recognized for the year-ended December 31, 2022. Amortization expense of

intangibles included in the Consolidated Statements of Operations was $35,000 and $58,000 for the years-ended December 31, 2023 and 2022, respectively.

The Company expects the future amortization of amortizable intangible assets held at December 31, 2023 to be (in thousands):

	Estimated Amortization Expense
2024	38
2025	38
2026	37
2027	37
2028	37
Thereafter	246
Total	**$ 433**

10. Property and Equipment, net

The composition of property and equipment, net is as follows (in thousands):

		As of	
	Useful Lives	December 31, 2023	December 31, 2022
Computer equipment	3 - 5 years	$ 984	$ 755
Computer software	3 years	840	871
Construction in progress		87	258
Furniture and fixtures	7 years	824	439
Laboratory equipment	5 years	769	643
Leasehold improvements	Lesser of life or lease term	367	257
RECELL moulds	5 years	438	129
Less: accumulated amortization and depreciation		(2,432)	(2,152)
Total plant and equipment, net		$ 1,877	$ 1,200

Depreciation expense related to plant and equipment was $597,000 and $510,000 for the years-ended December 31, 2023 and 2022, respectively. The Company recorded an impairment of approximately $83,000 for the year-ended December 31, 2023. Amounts are recorded in General and administrative expenses in the Consolidated Statement of Operations. During the year-ended December 31, 2022, the Company did not identify any events or changes in circumstances that indicated that the carrying value of its plant and equipment may not be recoverable. As such, there was no impairment of plant and equipment recognized for the year-ended December 31, 2022.

11. Prepaids and Other Current Assets and Other Long—Term Assets

Prepaids and other current assets consisted of the following (in thousands):

	As of	
	December 31, 2023	December 31, 2022
Prepaid expenses	$ 1,376	$ 921
Accrued investment income	227	168
Lease deposits	38	110
BARDA contract costs	-	252
Other receivables	18	127
Total prepaids and other current assets	$ 1,659	$ 1,578

Prepaid expenses primarily consist of prepaid benefits and insurance.

Other long-term assets consisted of the following (in thousands):

	As of	
	December 31, 2023	December 31, 2022
Long-term lease deposits	$ 155	$ 25
Long-term prepaids	148	97
Other long-term assets	52	-
Total other long-term assets	$ 355	$ 122

Other current liabilities consisted of the following (in thousands):

	As of	
	December 31, 2023	December 31, 2022
Operating lease liability	$ 895	$ 612
BARDA deferred costs	-	194
COSMOTEC deferred revenue	33	-
Other current liabilities	338	184
Total other current liabilities	$ 1,266	$ 990

12. Reporting Segment and Geographic Information

The Company views its operations and manages its business in one reporting segment. Long-lived assets were primarily located in the United States as of December 31, 2023 and December 31, 2022 with an insignificant amount located in Australia and the United Kingdom.

Revenues by region and customer location were as follows (in thousands):

	Year-Ended	
	December 31, 2023	December 31, 2022
Revenue:		
United States	$ 46,359	$ 33,257
Foreign:		
Japan	3,370	729
European Union	51	-
Australia	222	275
United Kingdom	141	160
Total	$ 50,143	$ 34,421

Revenues by customer type were follows (in thousands):

	Year-Ended	
	December 31, 2023	December 31, 2022
Revenue:		
Commercial sales	$ 49,775	$ 34,051
Deferred commercial revenue	33	-
BARDA:		
Services for emergency preparedness	335	370
Total	$ 50,143	$ 34,421

Cost of sales by customer type were as follows (in thousands):

	Year-Ended	
	December 31, 2023	December 31, 2022
Cost of sales:		
Commercial cost	$ 7,544	$ 5,573
BARDA:		
Product cost	(105)	130
Emergency preparedness service cost	341	338
Total	$ 7,780	$ 6,041

13. Contingencies

The Company is subject to certain contingencies arising in the ordinary course of business. The Company records accruals for these contingencies to the extent that a loss is both probable and reasonably estimable. If some amount within a range of loss appears to be a better estimate than any other amount within the range, that amount is accrued. Alternatively, when no amount within a range of loss appears to be a better estimate than any other amount, the lowest amount in the range is accrued. The Company expenses legal costs associated with loss contingencies as incurred. As of December 31, 2023, the Company does not have any outstanding or threatened litigation that would have a material impact to the financial statements.

14. Common and Preferred Stock

The Company's shares of common stock are quoted on Nasdaq under AVITA Medical's previous Nasdaq ticker code, "RCEL". The Company's CDIs are quoted on the ASX under AVITA Medical's previous ASX ticker code, "AVH". One share of common stock on Nasdaq is equivalent to five CDIs on the ASX.

The Company is authorized to issue 200,000,000 shares of common stock, par value $0.0001 per share, and 10,000,000 shares of preferred stock, par value $0.0001 per share, issuable in one or more series as designated by the Company's board of directors. No other class of capital stock is authorized. The Company has 25,682,078 and 25,208,436 shares of common stock issued and outstanding as of December 31, 2023 and December 31, 2022, respectively. The Company has no shares of preferred stock outstanding during any period.

15. Share-Based Payment Plans

Overview of Employee Share-Based Compensation Plans

Our former parent company, AVITA Medical Pty Limited, adopted the Employee Share Plan and the Incentive Option Plan (collectively, the "2016 Plans"). Upon completion of the redomiciliation of the Company from Australia to the United States in June 2020 ("Redomiciliation"), the 2016 Plans were terminated with respect to future grants and accordingly, there are no more shares available to be issued under the 2016 Plans. During November 2020, the Company filed a registration statement on Form S-8 to register a total of 1,750,000 shares of common stock which may be issued pursuant to the terms of the 2020 Plan. During June 2023, the Company filed a registration statement on Form S-8 to register an additional 2,500,000 shares of common stock under the 2020 Plan. The increase in shares available for issuance was a result of the stockholders of AVITA Medical, Inc. approving an amendment to the 2020 Plan on June 6, 2023 at the Company's 2023 Annual Meeting of Stockholders (the "2023 Annual Meeting").

On December 22, 2021, the Company's stockholders approved the issuance of options and RSUs to the Board of Directors in accordance with ASX rules. These awards are subject to the vesting and performance conditions as denoted in the individual agreements (collectively, the "2021 Annual Meeting Awards"). On December 12, 2022, the Company's stockholders approved the issuance of options and RSUs to the Board of Directors and the CEO in accordance with ASX rules. These awards are subject to vesting conditions as denoted in the individual agreements (collectively, the "2022 Annual Meeting Awards"). On June 6, 2023, the Company's stockholders approved the issuance of options and RSUs to the Board of Directors and the CEO in accordance with ASX rules. These awards are subject to vesting conditions as denoted in the individual agreements (collectively, the "2023 Annual Meeting Awards").

The 2020 Plan provides for the grant of the following Grants: (a) Incentive Stock Options, (b) Nonstatutory Stock Options, (c) Stock Appreciation Rights, (d) Restricted Stock Grants, (e) Restricted Stock Unit Grants, (f) Performance Grants, and (g) Other Grants. The 2020 Plan will be administered by the Compensation Committee or by the Board acting as the Compensation Committee. Subject to the general purposes, terms and conditions of the 2020 Plan, applicable law and any charter adopted by the Board

governing the actions of the Compensation Committee, the Compensation Committee will have full power to implement and carry out the 2020 Plan. Without limitation, the Compensation Committee will have the authority to interpret the plan, approve persons to receive grants, determine the terms and number of shares of the grants, determine vesting and exercisability of grants, and make all other determinations necessary or advisable in connection with the administration of this Plan.

The contractual term of stock option awards granted under the 2020 Plan is ten years from the grant date. Unless otherwise specified, the vesting periods of options and RSUs granted under the 2020 Plan are: (i) vest over a three-year or four-year period in equal installments at the end of each year from the date of grant, and /or (ii) subject to other performance criteria, as determined by the Compensation Committee.

Modifications

During the fourth quarter of 2023, the Company had administrative changes to employment agreements of five executives. Changes included clarification that equity awards are inclusive of options and RSUs, and a change in the post-termination exercise period from 6-months to 3-months. In addition, four employees received employment agreements for the first time as a result of a promotion. Per the terms of the employment agreement outstanding awards (options and RSUs) will immediately accelerate upon a qualifying termination. These employees were previously governed by the terms of the 2020 Plan, which upon separation from service, unvested awards will forfeit. We accounted for these changes in the accelerated vesting provision upon termination and the decrease in the post-termination exercise period as modifications. The modifications did not result in incremental expense.

The following table summarizes information about the Company's stock-based award plans as of December 31, 2023:

	Outstanding Options	Outstanding Restricted Stock Units	Shares available for future issuance
2016 Equity Incentive Plan	740,945	-	-
2020 Equity Incentive Plan	1,553,969	171,552	2,294,367
2021 AGM Awards	22,600	5,782	-
2022 AGM Awards	247,876	-	-
2023 AGM Awards	124,768	57,798	-

Share-Based Payment Expenses

Stock-based payment transactions are recognized as compensation expense based on the fair value of the instrument on the date of grant. The Company uses the graded-vesting method to recognize compensation expense. Compensation cost is reduced for forfeitures as they occur in accordance with *ASU 2016-09*, *Simplifying the Accounting for Share-Based Payment.* The Company recorded stock-based compensation expense of $8.4 million and $7.0 million for the years-ended December 31, 2023 and 2022, respectively. No income tax benefit was recognized in the Consolidated Statements of Operations for stock-based payment arrangements for the years-ended December 31, 2023 and 2022.

The Company has included stock-based compensation expense and ESPP expense as part of operating expenses in the accompanying Consolidated Statements of Operations as follows:

	Year-Ended	
	December 31, 2023	December 31, 2022
Sales and marketing expenses	$ 1,401	$ 1,393
General and administrative expenses	5,948	4,668
Research and development expenses	1,035	937
Total operating expenses	$ 8,384	$ 6,998

A summary of share option activity as of December 31, 2023 and changes during the year then ended is presented below:

	Service Only Share Options	Performance Based Share Options	Total Share Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding shares at December 31, 2022	1,724,252	511,194	2,235,446	$ 12.47	7.71	$ 1,530,263
Granted	972,193	-	972,193	14.52		
Exercised	(136,675)	(30,000)	(166,675)	5.74		
Expired	(61,062)	(180,473)	(241,535)	20.95		
Forfeited	(101,137)	(8,134)	(109,271)	11.53		
Outstanding shares at December 31, 2023	2,397,571	292,587	2,690,158	12.91	7.67	1,530,263
Exercisable at December 31, 2023	909,162	255,629	1,164,791	12.96	5.98	587,632
Vested and expected to vest	2,397,571	292,587	2,690,158	$ 12.91	7.67	$ 1,530,263

The weighted-average grant-date fair value of options granted during the years-ended December 31, 2023 and 2022 was $9.46 and $4.64, respectively. The total intrinsic value of options exercised during the years-ended December 31, 2023 and 2022 was $1.7 million and $179,000, respectively. Intrinsic value is measured using the fair market value at the date of exercise for options exercised, or at balance sheet date for outstanding options, less the applicable exercise price.

Cash received from the exercise of options was approximately $957,000 and $900,000, for the years-ended December 31, 2023 and 2022, respectively.

As of December 31, 2023, there was approximately $7.4 million of total unrecognized compensation cost related to share-based compensation expense. Of this amount $7.3 million relates to service only share options to be recognized over a weighted average period of 1.15 years, $0.1 million related to performance-based share options to be recognized over a weighted average period of 0.74 years.

Restricted Stock Units

Restricted stock units are granted to executives as part of their long-term incentive compensation. RSUs granted to directors as a result of stockholder approval 2021 Annual Meeting, 2022 Annual Meeting and 2023 Annual Meeting are issued pursuant to award agreements between the Company and the holders of such securities. These RSU awards were approved by the Compensation Committee. All RSU awards vest in accordance with the tenure or performance conditions as determined by the Compensation Committee and set out in the contracts between the Company and the holders of such securities. The grant date fair value is determined based on the price of the Company stock price on the date of grant (stock price determined on Nasdaq).

A summary of the status of the Company's unvested RSUs as of December 31, 2023, and changes that occurred during the year is presented below:

Unvested Shares	Service Condition RSU	Performance Condition RSU	Total RSU's	Weighted Average Grant Date Fair Value per Unit
Unvested RSUs outstanding at December 31, 2022	394,872	65,646	460,518	$ 6.30
Granted	57,798	-	57,798	14.17
Vested	(205,308)	(29,751)	(235,059)	6.37
Forfeited	(40,250)	(7,875)	(48,125)	5.67
Unvested RSUs outstanding at December 31, 2023	207,112	28,020	235,132	$ 8.29

The weighted-average grant-date fair value of the RSUs granted during the years-ended December 31, 2023 and 2022, was $14.17 and $5.28, respectively. The total fair value of shares vested during the years-ended December 31, 2023 and 2022, was $2.9 million and $894,000, respectively.

As of December 31, 2023, there was $829,000 of total unrecognized compensation cost related to RSU awards. Of this amount $734,000 relates to service only RSUs to be recognized over a weighted average period of 0.63 years, $95,000 related to performance-based awards to be recognized over a weighted average period of 0.51 years.

2021 Annual Meeting Awards

Awards to non-executive members of the Board of Directors ("Director awards") under the 2021 Annual Meeting Awards

The Director awards that were granted in 2021 consist of an aggregate 68,600 options and RSUs. A total of 41,400 tenure-based options are RSUs (15,300 options and 26,100 RSUs) vested 12 months from the grant date. A total of 27,200 tenure-based options and RSUs (9,850 options and 17,350 RSUs) vest over 3 three years in equal installment each year.

2022 Annual Meeting Awards

Awards to the CEO under the 2022 Annual Meeting Awards

On December 12, 2022, the CEO was issued an aggregate 226,296 options with 25% of those options vesting annually commencing on September 28, 2023.

Non-Executive Director awards under the 2022 Annual Meeting Awards

The Director awards consist of an aggregate 71,936 options and RSUs (21,580 options and 50,356 RSUs) vesting 12 months from the grant date.

2023 Annual Meeting Awards

Awards to the CEO under the 2023 Annual Meeting Awards

On June 6, 2023, the CEO was issued an aggregate 100,000 options with 33.3% of those options vesting annually commencing on June 6, 2024.

Non-Executive Director awards under the 2023 Annual Meeting Awards

The Director awards consist of an aggregate 82,566 options and RSUs. A total of 52,926 tenure-based options and RSUs (15,876 options and 37,050 RSUs) vest 12 months from the grant date. A total of 29,640 tenure-based options and RSUs (8,892 options and 20,748 RSUs) vest over three years in equal installments each year.

Option Pricing Model

The Company estimates the fair value of tenure-based share options using the Black-Scholes option pricing model on the date of grant.

The valuation of the options is affected by the Company's share price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, expected share price volatility over the term of the awards and actual and projected employee share option exercise behaviors. The risk-free rate is based on the U.S. Treasury rate for the expected term at the time of grant, volatility is based on the historical volatility. For tenure-based options, the expected term is based on the estimated average of the life of options using the simplified method as prescribed by SAB 107. The Company utilizes the simplified method for plain vanilla options to determine the expected term of the options due to insufficient exercise activity during recent years. The expected dividend assumption is based on the Company’s history and expectation of dividend payouts.

Included in the following table is a summary of the related assumptions used in the Black-Scholes Option pricing model for the years-ended December 31, 2023 and 2022.

	Year-Ended December 31, 2023	Year-Ended December 31, 2022
Expected volatility	66% - 114%	72% - 113%
Weighted-average volatility	71%	103%
Expected dividends	0%	0%
Expected term (in years)	5 -7	5 - 9.8
Risk-free interest rate	3.51% - 4.44%	1.42% - 3.94%

Employee Stock Purchase Plan

In June 2023, the stockholders approved the AVITA Medical, Inc. Employee Stock Purchase Plan (the "ESPP"). The ESPP became effective on July 1, 2023. On June 30, 2023, the Company filed Registration Statement on Form S-8 to register 1,000,000 shares of common stock under the ESPP, as a result of the Company's stockholders approving the ESPP at the 2023 Annual Meeting. The ESPP features two six-month offering periods per year, from June 1 to November 30 and December 1 to May 31. The first offering period for the ESPP was July 1 – November 30, 2023. Subsequent offering periods will begin the first trading day of December and June each year. For the year-ended December 31, 2023, 72,319 shares, were issued under the ESPP at a purchase price of $9.06. Total proceeds received from the purchase of shares under the ESPP were approximately $655,000. During the year-ended December 31, 2023, the Company recorded $382,000 in ESPP expense and has unamortized expense remaining of $327,000 to be recognized over a term of 0.42 years. As of December 31, 2023, the Company had approximately $122,000 in accrued payroll contributions for future ESPP purchases. As of December 31, 2022, the Company did not have any accrued payroll contributions related to the ESPP.

The Company estimates the fair value of the ESPP using the Black-Scholes option pricing model on the date of grant. The valuation is affected by the Company's share price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, expected term, expected share price, volatility over the expected term and risk-free rate. The risk-free interest rate is based on the U.S. Treasury rate for the expected term at the time of grant, volatility is based on the historical volatility. The expected dividend assumption is based on the Company's history and expectation of dividend payouts.

Included in the following table is a summary of the related assumptions used in the Black-Scholes Option pricing model for the year-ended December 31, 2023.

	Year-Ended
	December 31, 2023
Expected volatility	81.98% - 82%
Weighted-average volatility	81.99%
Expected dividends	0%
Expected term (in years)	0.42 - 0.5
Risk-free interest rate	5.19% - 5.31%

16. Income Taxes

Geographic sources of loss before income taxes are as follows:

	Year-Ended	
(amounts in thousands)	December 31, 2023	December 31, 2022
United States	$ (44,691)	$ (26,764)
Foreign	$ 9,376	135
Loss before income taxes	$ (35,315)	$ (26,629)

The income tax expense as shown in the accompanying Consolidated Statements of Operations includes the following:

	Year-Ended	
(amounts in thousands)	December 31, 2023	December 31, 2022
Current:		
Federal	$ -	$ -
State	66	36
Foreign	-	-
Total current	66	36
Deferred:		
Federal	-	-
State	-	-
Foreign	-	-
Total deferred	-	-
Total income tax expense	$ 66	$ 36

The provision for income taxes differs from the tax computed using the statutory United States federal income tax rate of 21% for the years-ended December 31, 2023 and 2022 as a result of the following items:

	Year-Ended	
(amounts in thousands)	December 31, 2023	December 31, 2022
Tax benefit at U.S. statutory rate	$ (7,416)	$ (5,592)
State income taxes	66	35
Foreign rate differential	375	5
Share-based compensation	774	719
Fair value change in debt and warrants	494	-
Foreign exchange gain/(loss) on intercompany trade balances	(2,354)	-
Gain of transfer of intellectual property	2,804	-
Permanent differences	554	(30)
Change in tax rate	(847)	-
Net change in valuation allowance	5,616	4,899
Income tax expense	$ 66	$ 36

A summary of deferred income tax assets is as follows (in thousands):

	Year- Ended	
(amounts in thousands)	December 31, 2023	December 31, 2022
Deferred tax liabilities		
ROU Asset	$ (618)	$ (229)
Intangible assets	-	(11)
Property, plant and equipment	(6)	-
Total deferred tax liabilities	$ (624)	$ (240)
Deferred tax assets		
Property, plant and equipment	$ -	$ 3
Accrued expenses	2,714	1,833
Intangible assets	12	-
Stock based compensation	3,763	3,405
Lease liability	657	247
Research and development	5,357	2,215
Net operating loss carryforward	50,438	48,413
Other	992	630
Total deferred tax assets	$ 63,933	$ 56,746
Less valuation allowance	(63,309)	(56,506)
Net deferred tax assets	624	240
Net deferred tax assets / (liabilities)	$ -	$ -

At December 31, 2023, the Company and its subsidiaries had net operating loss carryforwards for federal, state, United Kingdom, and Australia income tax purposes of $145.2 million, $89.5 million, $29.9 million and $24.9 million respectively. The net operating loss carryforwards may be subject to limitation regarding their utilization against taxable income in future periods due to "change of ownership" provisions of the Internal Revenue Code and similar state and foreign provisions. Of these carryforwards, $19.5 million will expire, if not utilized, between 2028 through 2038. The remaining carryforwards have no expiration.

In assessing the recoverability of its deferred tax assets, the Company considers whether it is more likely than not that its deferred assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income in those periods in which temporary differences become deductible and/or net operating losses can be utilized. The Company considers all positive and negative evidence when determining the amount of the net deferred tax assets that are more likely than not to be realized. This evidence includes, but is not limited to, historical earnings, scheduled reversal of taxable temporary differences, tax planning strategies and projected future taxable income. Based upon the weight of available evidence including the uncertainty regarding the Company's ability to utilize certain net operating losses and tax credits in the future, the Company has established a valuation allowance against its net deferred tax assets of $63.3 million and $56.5 million as of December 31, 2023 and 2022, respectively. The deferred tax assets are primarily net operating loss carryforwards for which management has determined it is more likely than not that the deferred tax assets will not be realized.

The Company recognizes the tax benefit from an uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements related to a particular tax position are measured based on the largest benefit that has a greater than a 50% likelihood of being realized upon settlement. The amount of unrecognized tax benefits is adjusted as appropriate for changes in facts and circumstances, such as significant amendments to existing tax law, new regulations or interpretations by the taxing authorities, new information obtained during a tax examination, or resolution of an examination.

The Company has not identified any uncertain tax positions as of December 31, 2023 and 2022.

The Company files income tax returns in the U.S. federal, California and certain other state and foreign jurisdictions. The Company remains subject to income tax examinations for its U.S. federal and state income taxes generally for fiscal years ended June 30, 2006 and forward. The Company also remains subject to income tax examinations for international income taxes for fiscal years ended June 30, 2019 through December 31, 2022, and for certain other U.S. state and local income taxes generally for the fiscal years ended June 30, 2019 through December 31, 2022.

17. Loss per Share

The following is a reconciliation of the basic and diluted loss per share computations:

	Year-Ended	
	December 31, 2023	**December 31, 2022**
(in thousands, except per share amounts)		
Net loss	$ 35,381	$ 26,665
Weighted-average common shares—outstanding, basic and diluted	25,331	25,000
Net loss per common share, basic and diluted	$ 1.40	$ 1.07

	Year-Ended	
	December 31, 2023	**December 31, 2022**
Anti-dilutive shares excluded from diluted net loss per common share:		
Stock options	2,690,158	2,235,446
Restricted stock units	235,132	460,518
ESPP	91,152	-
Warrants	409,661	-

The Company's basic net loss per share is calculated by dividing the net loss by the weighted-average number of shares of common stock outstanding for the relevant period. In accordance with ASC 710-10 *Compensation - General*, shares of common stock held by the rabbi trust are excluded from the denominator in the basic and diluted net loss per common share calculations. As of December 31, 2023 and 2022 a total of 99,106 and 17,927, shares of common stock were excluded, respectively. For details on shares of common stock held by the rabbi trust refer to Note 18. For the purposes of the calculation of diluted net loss per share, options to purchase common stock, restricted stock units and unvested shares of common stock issued upon the early exercise of stock options have been excluded from the calculation of diluted net loss per share as their effect is anti-dilutive. Because the Company has reported a net loss for years-ended December 31, 2023 and 2022, diluted net loss per common share is the same as the basic net loss per share for those periods.

18. Retirement Plans

The Company offers a 401(k)-retirement savings plan (the "401(k) Plan") for its employees, including its executive officers, who satisfy certain eligibility requirements. The Internal Revenue Code of 1986, as amended, allows eligible employees to defer a portion of their compensation, within prescribed limits, on a pre-tax basis through contributions to the 401(k) Plan. The Company matches contributions to the 401(k) Plan based on the amount of salary deferral contributions the participant makes to the 401(k) Plan. The Company will match up to 6% of an employee's compensation that the employee contributes to his or her 401(k) Plan account. Total Company matching contributions to the 401(k) Plan were $1.2 million and $1.0 million for the years-ended December 31, 2023, and 2022, respectively.

Non-qualified deferred compensation plan

The Company's non-qualified deferred compensation plan (the "NQDC plan"), which became effective on October 2021 allows for eligible management and highly compensated key employees to elect to defer a portion of their salary, bonus, commissions and RSU awards to later years. Cash deferrals are immediately vested and are subject to investment risk and a risk of forfeiture under

certain circumstances. RSU deferrals are subject to the vesting conditions of the award. Once RSUs vest, subject to a six-month and one day holding period, employees are allowed to diversify the common stock into other investment options offered by the plan. For cash deferrals, the Company matches 4% to 6% (depending on level) of employee contributions. These matching employer contributions are vested over a two-year period with 25% vesting on year one and 75% vesting on year two for employees under 55 years of age. Employer contributions for employees over 55 years of age are immediately vested. Employer contributions to the NQDC plan for the years-ended December 31, 2023 and 2022 were $171,000 and $258,000, respectively. The Company's deferred compensation plan liability was $3.8 million and $1.3 million as of December 31, 2023 and 2022, respectively. These amounts are split between current and long term on the Consolidated Balance Sheets. As of December 31, 2023 and 2022, $168,000 and $78,000 is included in Current non-qualified deferred compensation liability and $3.7 million and $1.3 million in Non-qualified deferred compensation liability, respectively. During the years-ended December 31, 2023 and 2022, the Company had a payout of approximately $950,000 in the deferred compensation liability for terminated employees.

The Company established a COLI to fund the NQDC plan. Amounts in the COLI are invested in a number of funds. The securities are carried at the cash surrender value on the Consolidated Balance Sheets. We record investment gains and losses of the COLI as other income. Refer to Note 4, Fair Value Measurements for the fair values of the COLI policies and the NQDC liability.

Rabbi Trust

During April 2022, we established a rabbi trust to hold the assets of the NQDC plan. The rabbi trust holds the COLI asset and the common stock from deferred RSU awards that have vested. The NQDC permits diversification of fully vested shares into other equity securities subject to a six month and one day holding period. In accordance with ASR 268, *Redeemable Preferred Stock*, and ASC 718, prior to vesting, the deferred share awards are classified as an equity instrument and changes in fair value of the amount owed to the participant are not recognized. The redemption amounts of the deferred awards are based on the vested percentage and are recorded outside of permanent equity as Non-qualified deferred compensation share awards on the Consolidated Balance Sheets. As of December 31, 2023 and December 31, 2022, a total of 81,052 and 253,048, shares awards have been deferred, respectively. Vested shares are converted to common stock and are reclassified to permanent equity. Common stock held in the rabbi trust is classified in a manner similar to treasury stock and presented separately on the Consolidated Balance Sheets as Common stock held by the NQDC plan. For the years-ended December 31, 2023 and December 31, 2022 a total of 99,106 and 17,927 shares were vested at the redemption value of $1.1 million and $127,000, respectively.

The following table summarizes the eligible share award activity as of December 31, 2023 and December 31, 2022.

	As of	
(in thousands)	**December 31, 2023**	**December 31, 2022**
Non-qualified deferred compensation share awards:		
Balance at inception/beginning of period	$ 557	$ -
Change in classification of deferred compensation share awards	-	192
Stock-based compensation expense	518	471
Change in redemption value	1,019	21
Vesting of share awards held by NDQC	(1,401)	(127)
Ending Balance	$ 693	$ 557

19. Deed of Cross Guarantee

The Company (as the parent entity of the AVITA Group) is party to a deed of cross guarantee dated June 29, 2020 ("**Deed**") with each of its Australian wholly-owned subsidiaries, namely:

- AVITA Medical Pty Ltd (ACN 058 466 523);
- C3 Operations Pty Ltd (ACN 090 161 505);
- Visiomed Group Pty Ltd (ACN 003 010 580); and
- Infamed Pty Limited (ACN 084 800 653),

(together, the "Australian Subsidiaries").

The Company and the Australian Subsidiaries were the only parties to the Deed at December 31, 2023 and comprise the "closed group" for the purposes of the Deed (and also the "extended closed group"). No parties were added to or removed from the Deed, or subject to a notice of disposal, during or since the financial year-ended December 31, 2023. Since December 31, 2023, there has been no change in ownership of any of the Australian Subsidiaries.

By entering into the Deed, the Company and the Australian Subsidiaries have guaranteed the debts of each other.

Relief under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785

By entering into the Deed, the Australian Subsidiaries have been relieved from the requirement to prepare a financial report and directors' report for the financial year-ended December 31, 2023 under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*.

Consolidated financial information of parties to the Deed

The financial statements below are additional disclosure items specifically required by the Australian Securities and Investments Commission and represent the consolidated financial statements of the entities that are party to the Deed only (being the 'closed group' and also the 'extended closed group' under the Deed).

(in thousands)	**Year-Ended December 31, 2023**
Revenues	$ 222
Cost of sales	(263)
Gross profit	(41)
Operating Expenses:	
Sales and marketing expenses	(206)
General and administrative expenses	(79)
Product development expense	(28)
Total operating expenses	(313)
Other income	21,717
Net Income	$ 21,363

(in thousands)	**As of December 31, 2023**
ASSETS	
Cash	$ 25
Prepaids and other current assets	1
Total assets	26
LIABILITIES AND STOCKHOLDERS' EQUITY	
Accounts payable and accrued liabilities	1
Accrued wages and fringe benefits	4
Other current liabilities	7
Total liabilities	12
Accumulated equity	14
Total stockholders' equity	14
Total liabilities and stockholders' equity	$ 26

20. Subsequent Events

Ventura Lease Extension

On January 1, 2024, the Company executed the second amendment to the Ventura Warehouse to extend the lease for an additional three years until September 30, 2027. The lease was set to expire in September 30, 2024. The average monthly rent payment on the extended lease is approximately $36,000 per month. The Company will account for the lease extension during the three months ended March 31, 2024.

Stedical Scientific Distributor Agreement

On January 26, 2024, the Company entered into an exclusive multi-year distribution agreement with Stedical Scientific, Inc. ("Stedical") to commercialize PermeaDerm® Biosynthetic Wound Matrix in the United States. PermeaDerm is cleared by the FDA as a transparent matrix for use in the treatment of a variety of wound types until healing is achieved. Under the terms of the agreement, the Company will hold the exclusive rights to market, sell, and distribute PermeaDerm products, including any future enhancements or modifications, within the United States. The initial term is for five years, with the option to renew for an additional five years, contingent upon meeting certain minimum requirements. During February 2024, the Company purchased a total of $2.5 million in inventory from Stedical Scientific.

OVIK Health was the distributor for Stedical from March 20, 2020 until January 26, 2024. As part of the distribution agreement with Stedical, the Company entered into a separate agreement with OVIK Health. As part of this agreement Stedical and OVIK Health agreed to terminate their previous distribution agreement and all rights thereunder, transfer customer lists to the Company and the purchase by the Company of existing inventory held by OVIK Health for $1.2 million. As consideration for the covenants, agreements, undertakings and purchase of the inventory the Company paid OVIK Health a total of $1.75 million. The inventory purchased from OVIK is included in the purchase by Stedical.

BARDA Contract

On February 16, 2024, the Company executed a contract modification with BARDA to extend the period of performance, under the original contract dated September 29, 2015, from December 31, 2023 to September 28, 2025. Under the modified contract, BARDA shall have access to AVITA Medical’s RECELL inventory in the event of a national emergency. No additional inventory build will be required. In the case of a national emergency, BARDA shall pay for RECELL devices at a reduced price for the first 1,000 units and retail price for any units over 1,000 requested. BARDA will pay AVITA Medical approximately $333,000 in maintenance fee over the term of the contract to ensure first right of access.

STANDARD INDUSTRIAL/COMMERCIAL MULTI-TENANT LEASE GROSS

AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION

1. **Basic Provisions ("Basic Provisions").**

1.1 **Parties:** This Lease ("Lease"), dated for reference purposes only, December 06, 2023 is made by and between

Hartco Ventura Inc._____("Lessor")

and **Avita Medical Americas_____("Lessee"),** (collectively the **"Parties,"** or individually a **"Party"**).

1.2(a) Premises: That certain portion of the Building, including all improvements therein or to be provided by Lessor under the terms of this Lease, commonly known by the street address of 3007 Bunsen Avenue, Unit G , located in the City of ___Ventura_____, County of ____Ventura_____, state of California with zip code___93003__, as

outlined on Exhibit ___A_____ attached hereto ("Premises"). The "Building" is that certain building containing the Premises and generally described as (describe briefly the nature of the

Building):An approximately 3360 square feet (unit -G) ,Part of a larger 88,080 square feet multi-tenant industrial complex located on approximately 192,500 square feet of MPD zoned land.

In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to the Common Areas (as defined in Paragraph 2.7 below) as hereinafter specified, but shall not have any rights to the roof, exterior walls or utility raceways of the Building or to any other buildings in the Industrial Center. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively ref to as the "industrial Center." (Also see Paragraph 2.)

1.2(b) **Parking**:_Four (4) unreserved vehicle parking spaces ("**Unreserved Parking Spaces**"); and __Twelve (2)___ _____ reserved vehicle parking spaces ("**Reserved Parking Spaces**"). (Also see Paragraph 2.6.)

1.3 **Term**:____1____years and _____0___months ("**Original Term**") commencing__January 1,2024 _____

("**Commencement Date**") and ending __December 31,2024_____(**Expiration Date**"). (Also see Paragraph 3.)

1.4 **Early Possession**: ___December 18,2023 With pro-rated rent of $1896.77____ _____("**Early Possession Date**").

1.5 **Base Rent**: _$4200.00___per month ("**Base Rent'**) payable on the____First_____day of each month commencing January1,2024.

[] If this box is checked, this Lease provides for the Base Rent to be adjusted per Addendum __51_____, attached hereto.

1.6(a) **Base Rent Paid Upon Execution**: _____ as Base Rent for the period _____,

1.6(b) **Lessee's Share of Common Area Operating Expenses**: _____Zero_____percent (%) ("**Lessee's Share**") as determined by

[ ] prorata square footage of the Premises as compared to the total square footage of the Building or[ ] other criteria as described in Addendum

1.7 **Security Deposit**: _____$$4200_____("**Security Deposit**"). (Also see Paragraph 5.)

1.8 **Permitted use** Manufacturing of medical products

_____("**Permitted Use**") (Also see Paragraph 6.)

1.9 **Insuring Party**. Lessor is the "**Insuring Party**." (Also see Paragraph 8.)

1.10(a) **Real Estate Brokers**. The following real estate brokers) (collectively, the "**Brokers**") and brokerage relationships exist in this transaction and are

consented to by the Parties (check applicable boxes):

[ ] _____N/A_____represents Lessor exclusively ("**Lessor's Broker**");

[ ]_____N/A_____represents Lessee exclusively ("**Lessee's Broker**"); or

[ ]_____N/A_____represents both Lessor and Lessee ("Dual Agency"). (Also see Paragraph 15.)

1.10(b) Payment to Brokers. Upon the execution of this Lease by both Parties, Lessor shall pay to said Brokers) jointly, or in such separate shares as they

may mutually designate in writing, a fee as set forth in a separate written agreement between Lessor and said Brokers) (or in the event there is no separate written

agreement between Lessor and said Broker(s), the sum of $____N/A_____ J for brokerage services rendered by said Brokers) in connection with this transaction.

1.11 Guarantor. The obligations of the Lessee under this Lease are to be guaranteed by_____

_____("Guarantor"). (Also see Paragraph 37.)

1.12 Addenda and Exhibits. Attached hereto is an Addendum or Addenda consisting of Paragraphs _____through_____, and Exhibits

_____through _____, all of which constitute a part of-this Lease.

2. Premises, Parking and Common Areas.

2.1 Letting. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. Unless otherwise provided herein, any statement of square footage set forth in this Lease, or that may have been used in calculating rental and/or Common Area Operating Expenses, is an approximation which Lessor and Lessee agree is reasonable and the rental and Lessee's Share (as defined in Paragraph 1.6(b)) based thereon is not subject to revision whether or not the actual square footage is more or less.

2.2 Condition. Lessor shall deliver the Premises to Lessee clean and free of debris on the Commencement Date and warrants to Lessee that the existing plumbing, electrical systems fire sprinkler system, lighting, air conditioning and heating systems and loading doors, if any, in the Premises, other than those constructed by Lessee, shall be in good operating condition on the Commencement Date. If a non-compliance with said warranty exists as of the Commencement Date, Lessor shall, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within thirty (30) days after the Commencement Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense.

2.3 Compliance with Covenants, Restrictions and Building Code. Lessor warrants that any improvements (other than those constructed by Lessee or at Lessee's direction) on or in the Premises which have been constructed or installed by Lessor or with Lessor's consent or at Lessor's direction shall comply with all applicable covenants or restrictions of record and applicable building codes, regulations and ordinances in effect on the Commencement Date. Lessor further warrants to Lessee that Lessor has no knowledge of any claim having been made by any governmental agency that a violation or violations of applicable building codes, regulations, or ordinances exist with regard to the Premises as of the Commencement Date. Said warranties shall not apply to any Alterations or Utility Installations (defined in Paragraph 7.3(a)) made or to be made by Lessee. If the Premises do not comply with said warranties, Lessor shall, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee given within six (6) months following the Commencement Date and setting forth with specificity the nature and extent of such non-compliance, take such action, at Lessor's expense, as may be reasonable or appropriate to rectify the non-compliance. Lessor makes no warranty that the Permitted Use in Paragraph 1.8 is permitted for the Premises under Applicable Laws (as defined in Paragraph 2.4).

2.4 Acceptance of Premises. Lessee hereby acknowledges: (a) that it has been advised by the Brokers) to satisfy itself with respect to the condition of the Premises (including but not limited to the electrical and fire sprinkler systems, security, environmental aspects, seismic and earthquake requirements, and compliance with the Americans with Disabilities Act and applicable zoning, municipal, county, state and federal laws, ordinances and regulations and any covenants or restrictions of record (collectively, "Applicable Laws") and the present and future suitability of the Premises for Lessee's intended use; (b) that Lessee has made such investigation as it deems necessary with reference to such matters, is satisfied with reference thereto, and assumes all responsibility therefore as the same relate to Lessee's occupancy of the Premises and/or the terms of this Lease; and (c) that neither Lessor, nor any of Lessor's agents, has made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease.

2.5 Lessee as Prior Owner/Occupant. The warranties made by Lessor in this Paragraph 2 shall be of no force or effect if immediately prior to the date set forth in Paragraph 1.1 Lessee was the owner or occupant of the Premises. In such event, Lessee shall, at Lessee's sole cost and expense, correct any non-compliance of the Premises with said warranties.

2.6 Vehicle Parking. Lessee shall be entitled to use the number of Unreserved Parking Spaces and Reserved Parking S aces specified In Paragraph 1.2(b) on those portions of the Common Areas designated from time to time by Lessor for parking. Lessee shall not use more parking spaces than said number. Said parking spaces shall be used for parking by vehicles no larger than full-size passenger automobiles or pick-up trucks, herein called "Permitted Size Vehicles." Vehicles other than Permitted Size Vehicles shall be parked and loaded or unloaded as directed by Lessor In the Rules and Regulations (as defined in Paragraph 40) issued by Lessor. (Also see Paragraph 2.9.)

(a) Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, contractors or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.

(b) If Lessee permits or allows any of the prohibited activities described !n this Paragraph 2.6 then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle Involved and charge the cost to Lessee, which cost shall be Immediately payable upon demand by Lessor. -

(c) Lessor shall at the Commencement Date of this Lease, provide the parking facilities required by Applicable Law.

2.7 Common Areas-Definition. The term **"Common Areas"** Is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Industrial Center and interior utility raceways within the Premises that are provided and designated by the Lessor from lime to time for the general nonexclusive use of Lessor, Lessee and other lessees of the Industrial Center and their respective employees, suppliers, shippers, customers, contractors and Invitees, Including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, parkways, driveways and landscaped areas.

2.6 **Common Areas-Lessee's Rights.** Lessor hereby grants to Lessee, for the benefit of Lessee and Its employees, suppliers, shippers, contractors, customers and invitees, during the term of this I-ease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Industrial Center. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, In the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent which consent may be revoked at any lime. In the event that any unauthorized storage shall occur then Lessor shall have the right, without notice, In addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be Immediately payable upon demand by Lessor.

2.9 Common Areas-Rules and Regulations. Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to establish, modify, amend and enforce reasonable Rules and Regulations with respect thereto In accordance with Paragraph 40. Lessee agrees to abide by and conform to ail such Rules and Regulations, and to cause its employees, suppliers,

Initials:_____

_____

shippers, customers, contractors and Invitees to so abide and conform. Lessor shall not be responsible to Lessee for the non-compliance with said rules and regulations by other lessees of the Industrial Center.

2.10 Common Areas-Changes. Lessor shall have the right, In Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, Including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, Ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Industrial Center to be a part of the Common Areas;

(d) To add additional buildings and Improvements to the Common Areas;

(e) To use the Common Areas while engaged In making additional Improvements, repairs or alterations to the Industrial Center, or any portion thereof;

and

(f) To do and perform such other acts and make such other changes (n, to or with respect to the Common Areas and Industrial Center as Lessor may, In the exercise of sound business judgment, deem to be appropriate.

3. Term.

3.1 Term. The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 Early Possession. If an Early Possession Dale is specified fn Paragraph 1.4 and If Lessee totally or partially occupies the Premises after the Early Possession Date but prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such early occupancy. All other terms of this Lease, however, (including but not limited to the obligations to pay Lessee's Share of Common Area Operating Expenses and to carry the Insurance required by Paragraph 8) shall be in effect during such period. Any such early possession shall not affect nor advance the Expiration Date of the Original Term.

3.3 **Delay in Possession.** II for any reason Lessor cannot deliver possession of the Premises to Lessee by the Early Possession Dale, II one is specified in Paragraph 1.4, or If no Early Possession Date is specified, by the Commencement Date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease, or the obligations of Lessee hereunder, or extend the term hereof, but in such case, Lessee shall not, except as otherwise provided herein, be obligated to pay rent or perform any other obligation of Lessee under the terms of this Lease until Lessor delivers possession of the Premises to Lessee. II possession of the Premises is not delivered to Lessee within sixty (60) days after the Commencement Dale, Lessee may, at its option, by notice in writing to Lessor within ten (10) days after the end of said sixty (60) day period, cancel this Lease, in which event the parties shall be discharged from all obligations hereunder; provided further, however That it such written notice of Lessee is not received by Lessor within said ten (10) day period, Lessee's right to cancel this Lease hereunder shall terminate and be of no further force or effect. Except as may `.e otherwise provided, and regardless of when the Original Term actually commences, if possession is not tendered to Lessee when required by this Lease and Lessee does not terminate this Lease, as aforesaid, the period free of the obligation to pay Base Rent, if any, that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to the period during which the Lessee would have otherwise enjoyed under the terms hereof, but minus any days of delay caused by the acts, changes or omissions of Lessee.

4**. Rent.**

4.1 **Base Rent.** Lessee shall pay Base Rent and other tent or charges, as the same may be adjusted from time to time, to Lessor in lawful money of the United States, without offset or deduction, on or before the day on which it is due under the terms of this Lease. Base Rent and all other rent and charges for any period during he term hereof which is for less than one full month shall be prorated bused upon the actual number of days of the month involved: Payment of Base Rent and other charges shall be made to Lessor at its address stated herein or to such other persons or al such other addresses as Lessor may from time to lime designate (n writing to Lessee.

4.2 **Common Area Operating Expenses**. Lessee shall pay to Lessor during 'he term hereof, In addition to the Base Rent, Lessee's Share (as specified in Paragraph 1.6(b)) of all Common Area Operating Expenses, as hereinafter defined, during each calendar year of the term of this Lease, In accordance with the following provisions:

(a) "Common Area Operating Expenses" are defined, for purposes o' this Lease, as all costs incurred by Lessor relating to the ownership and operation of the Industrial Center, Including, but not limited to, the following:

(i) The operation, repair and maintenance, In neat, clean, good order and condition, of the following:

(aa) The Common Areas, including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, parkways, driveways, landscaped areas, striping, bumpers, irrigation systems, Common Area lighting facilities, fences and gates, elevators and roof.

(bb) Exterior signs and any tenant directories.

(cc) Fire detection and sprinkler systems.

(ii) The cost of water, gas, electricity and telephone to service the Common Areas.

(iii) Trash disposal, property management and security services and tile costs of any environmental Inspections.

(iv) Reserves set aside for maintenance and repair of Common Areas.

(v) Any Increase above the Base Real Property Taxes (as defined in Paragraph 10.2(b)) for the Building and the Common Areas.

(vi) Any "Insurance Cost Increase" (as defined In Paragraph 8.1).

(vii) The cost of insurance carried by Lessor with respect to the Common Areas.

(viii) Any deductible portion of an insured loss concerning the Building or the Common Areas.

(ix) Any other services to be provided by Lessor that are staled elsewhere in this Lease to be a Common Area Operating Expense.

(b) Any Common Area Operating Expenses and Real Property Taxes that are specifically attributable to the Building or to any other building in the industrial Center or to the operation. repair and maintenance thereof shall be allocated entirely in the Building or in such other building. However any Common Area Operating Expenses and Real Property Taxes that are not attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Industrial Center.

(c) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(a) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Industrial Center already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(d) Lessee's Share of Common Area Operating Expenses shall be payable by Lessee within ten(10) days after a reasonably detailed statement of actual expenses is presented to Lessor, At Lessor's option, however, an amount may be estimated by Lessor from time to time of Lessee's Share of annual Common Area Operating Expenses and the same shall be payable monthly or quarterly, as Lessor shall designate, during each 12-month period of the Lease term, on the same day as the Base Rent is due hereunder. Lessor shall deliver to Lessee within sixty (60) days after the expiration of each calendar year a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses incurred during the preceding year. If Lessee's payments under this Paragraph 4.2(d) during said preceding year exceed Lessee's Share as indicated on said statement, Lessor shall be credited the amount of such overpayment against Lessee's Share of Common Area Operating Expenses next becoming due. If Lessee's payments under this Paragraph 4.2(d) during said preceding year were less than Lessee's Share as Indicated on said statement, Lessee shat; pay to Lessor the amount of the deficiency within ten (10) days after delivery by Lessor to Lessee of said statement.

5. **Security Deposit**. Lessee shall deposit with Lessor upon Lessee's execution hereof the Security Deposit set forth In Paragraph 1.7 as security for Lessee's faithful performance of Lessee's obligations under this Lease. If Lessee fails to pay Base Rent or other rent or charges due hereunder, or otherwise Defaults under this Lease (as defined in Paragraph 13.1), Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount due Lessor or to reimburse or compensate Lessor for any liability, cost, expense, loss or damage (Including attorneys' fees) which Lessor may suffer or Incur by reason thereof. If Lessor uses or applies all or any portion of said Security Deposit, Lessee shall within ten (10) days after written request therefore deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. Any time the Base Rent Increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor as an addition to the Security Deposit so that the total amount of the Security Deposit shall at all times bear the same proportion to the then current Base Rent as the Initial Security Deposit bears to the initial Base Rent set forth in Paragraph 1.5. Lessor shall not be required to keep all or any part of the Security Deposit separate from Its general accounts. Lessor shall, at the expiration or earlier termination of the term hereof and after Lessee has vacated the Premises, return to Lessee (or, at Lessor's option, to the last assignee, if any, of Lessee's Interest herein), that portion of the Security Deposit not used or applied by Lessor. Unless otherwise expressly agree d In writing by Lessor, no part of the Security Deposit shall be considered to be held in trust, to bear Interest or other increment for its use, or to be prepayment for any monies to be paid by Lessee under this Lease.

6**. Use.**

6.1 **Permitted Use.**

(a) Lessee shall use and occupy the Premises only for the Permitted Use ;;et forth In Paragraph 1.8, or any other legal use which Is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises In a manner that Is unlawful, creates waste or a nuisance, or that disturbs owners and/or occupants of, or causes damage to the Premises or neighboring premises or properties.

(b) Lessor hereby agrees to not unreasonably withhold or delay Its consent to any written request by Lessee, Lessee's assignees or subtenants and by prospective assignees-and subtenants of Lessee, Its assignees and subtenants, for a modification of said Permitted Use, so long as the same will not impair the structural integrity of the Improvements on the Premises or in the Building or the mechanical or electrical systems therein, does not conflict with uses by other lessees, Is not significantly more burdensome to the Premises or the Building and the improvements thereon, and Is otherwise permissible pursuant to this Paragraph 6. If Lessor elects to withhold such consent, Lessor shall within five (5) business days after such request give a written notification of same, which notice shall include an explanation of Lessor's reasonable objections to the change in use.

6.2 **Hazardous Substances**.

(a) **Reportable Uses Require Consent.** The term **"Hazardous Substance"** as used In this Lease shall mean any product, substance, chemical, material or waste whose presence, nature, quantity and/or Intensity of existence, use, manufacture, disposal, transportation, spill, release or effect, either by Itself or in combination with other materials expected to be on the Premises, Is either: (I) potentially Injurious to the public health, safety or welfare, the environment, or the Premises; (it) regulated or monitored by any governmental authority; or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substance shall include, but not be limited to, hydrocarbons, petroleum, gasoline, crude oil or any products or by-products thereof. Lessee shall not engage in any activity i n or about the Premises which constitutes a Reportable Use (as hereinafter defined) of Hazardous Substances without the express prior written consent of Lessor and compliance in a timely manner (at Lessee's sole cost and expense) with all Applicable Requirements (as defined in Paragraph 6.3). "Reportable Use" shall mean (i) the Installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and (iii) the presence in, on or about the Premises of a Hazardous Substance with respect to which any Applicable Laws require that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may, without Lessor's prior consent, but upon notice to Lesser and In compliance with all Applicable Requirements, use any ordinary and customary materials reasonably required to be used by Lessee In the normal course of the Permitted Use, so long as such use is not a Reportable Use and does not expose the Premises or neighboring properties to any meaningful risk of contamination or damage or expose Lessor to any liability therefore. In addition, Lessor may (but without any obligation to do so) condition Its consent to any Reportable Use of any Hazardous Substance by Lessee upon Lessee's giving Lessor such additional assurances as Lessor, in its reasonable discretion, deems necessary to protect Itself, the public, the Premises and the environment against damage, contamination or Injury and/or liability therefore, including but not limited to the Installation (and, at Lessor's option, removal on or before Lease expiration or earlier termination) of reasonably necessary protective modifications to the Premises (such as concrete encasements) and/or the deposit of an additional Security Deposit under Paragraph 5 hereof.

(b) **Duty to Inform Lessor.** If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises or the Building, other than as previously consented to by Lessor, Lessee shall Immediately give Lessor written notice thereof, together with a copy of any statement, report, notice, registration, application, permit, business plan, license, claim, action, or proceeding given to, or received from, any governmental authority or private party concerning the presence, spill, release, discharge of, or exposure to, such Hazardous Substance including but not limited to all such documents as may be involved in any Reportable Use involving the Premises, Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under or about the Premises (including, without limitation, through the plumbing or sanitary sewer system).

(c) Indemnification. Lessee shall indemnify, protect, defend and hold Lessor, its agents, employees, lenders and ground Lessor, if any, and the Premises; harmless from and against any and all damages, liabilities, judgments, costs, claims, Liens, expenses, penalties, loss of permits and attorneys' and consultants' lees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee or by anyone-under Lessee's control. Lessee's obligations under this Paragraph 6.2(c) shall include, but not be limited to, the effects of any contamination or Injury to person, property or the environment created or suffered by Lessee, and the cost of investigation (including consultants' and attorneys' fees and testing), removal, remediation, restoration and/or abatement thereof, or of any contamination therein involved, and shall survive the expiration or earlier termination of this Lease. No termination, cancellation or release agreement entered Into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor In writing al the time of such agreement.

Initials:_____

_____

6.3 Lessee's Compliance with Requirements. Lessee shall, at Lessee's sole cost and expense, fully, diligently and in a timely manner, comply with all "Applicable Requirements," which term is used in this Lease to mean ail laws, rule;;, regulations, ordinances, directives, covenants, easements and restrictions of record, permits, the requirements of any applicable fire Insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants, relating in any manner to the Premises (including but not limited to matters pertaining to (f) Industrial hygiene, (if) environmental conditions on, in, under or about the Premises, Including soil and groundwater conditions, and (iii) the use, generation, manufacture, production, installation, maintenance, removal, transportation, storage, spill, or release of any Hazardous Substance), now In effect or which may hereafter come into effect. Lessee shall, within live (5) days after receipt of Lessor's written request, provide Lessor with copies of all documents and Information, Including but not limited to permits, registrations, manifests, applications, reports and certificates, evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving failure by Lessee or the Premises to comply with any Applicable Requirements.

6.4 Inspection; Compliance with Law. Lessor, Lessor's agents, employees, contractors and designated representatives, and the holders of any mortgages, deeds of trust or ground leases on the Premises **("Lenders")** shall have the right to enter the Premises at any time in the case of an emergency, and otherwise at reasonable times, for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this Lease and all Applicable Requirements (as defined in Paragraph 6.3), and Lessor shall be entitled to employ experts and/or consultants in connection therewith to advise Lessor with respect to Lessee's activities, including but not limited to Lessee's installation, operation, use, monitoring, maintenance, or removal of any Hazardous Substance on or from the Premises. The costs and expenses of any such inspections shall be paid by the party requesting same, unless a Default or Breach of this Lease by Lessee or a violation of Applicable Requirements or a contamination, caused or materially contributed to by Lessee, is found to exist or to be imminent, or unless the inspection is requested or ordered by a governmental authority as the result of any such existing or Imminent violation or contamination. In such case, Lessee shall upon request reimburse Lessor or Lessor's Lender, as the case may be, for the costs and expenses of such inspections.

7. Maintenance, Repairs, Utility Installations, Trade Fixtures and Alterations.

7.1 Lessee's Obligations.

(a) Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance with Covenants, Restrictions and Building Code), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole cost and expense and at all times, keep the Premises and every part thereof in good order, condition and repair (whether or not such portion of the Premises requiring repair, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, without limiting the generality of the foregoing, all equipment or facilities specifically serving the Premises, such as plumbing, heating, air conditioning, ventilating, electrical, lighting facilities, boilers, fired or unfired pressure vessels, fire hose connections if within the Premises, fixtures, Interior walls, interior surfaces of exterior walls, ceilings, floors, windows, doors, plate glass, and skylights, but excluding any items which are the responsibility of Lessor pursuant to Paragraph 7.2 below. Lessee, in keeping the Premises In good order, condition and repair, shall exercise and perform good maintenance practices. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair.

(b) Lessee shall, at Lessee's sole cost and expense, procure and maintain a contract, with copies to Lessor, in customary form and substance for and with a contractor specializing and experienced In the Inspection, maintenance and service of the heating, air conditioning and ventilation system for the Premises. However, Lessor reserves the right, upon notice to Lessee, to procure and maintain the contract for the heating, air conditioning and ventilating systems, and if Lessor so elects, Lessee shall reimburse Lessor, upon demand, for the cost thereof.

(c) If Lessee fails to perform Lessee's obligations under Paragraph 7.1, Lessor may enter upon the Premises after ten (10) days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, in accordance with Paragraph 13.2 below.

7.2 **Lessor's Obligations**. Subject to the provisions pf Paragraph 2.2 (Condition), 2.3 (Compliance with Covenants, Restrictions and Building Codes), 4.2 (Common Area Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler and/or standpipe and hose (if located in the Common Areas) or other automatic fire extinguishing system including fire alarm and/or smoke detection systems and equipment, fire hydrants, parking lots, walkways. parkways, driveways, landscaping fences, signs and utility systems serving the Common Areas and all parts thereof, as well as providing the services for which there Is a Common Area Operating Expense pursuant to Paragraph 4.2. Lessor shall not be obligated to paint the exterior or Interior surfaces of exterior walls nor shall Lessor be obligated to maintain, repair or replace windows, doors or plate glass of the Premises. Lessee expressly waives the benefit of any statute now or hereafter In effect which would otherwise afford Lessee the right to make repairs at Lessor's expense or to terminate this Lease because of Lessor's failure to keep the Building, Industrial Canter or Common Areas in good order, condition and repair.

7.3 **Utility Installations, Trade Fixtures, Alterations.**

(a) Definitions; Consent Required. The term **"Utility Installations"** Is used In this Lease to refer to all air lines, power panels, electrical distribution, security, fire protection systems, communications systems, lighting fixtures, heating, ventilating and air conditioning equipment, plumbing, and fencing In, on or about the Premises. The term "Trade Fixtures" shall mean Lessee's machinery and equipment which can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification of the improvements on the Premises which are provided by Lessor under the terms of this Lease, other than Utility Installations or Trade Fixtures. **"Lessee-Owned Alterations and/or Utility Installations"** are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a). Lessee shall not make nor cause to be made any Alterations or Utility Installations in, on, under or about the Premises without Lessor's prior written consent. Lessee May, however, make non-structural Utility Installations to the interior of the Premises (excluding the roof) without Lessor's consent but upon notice to Lessor, so long as they are not visible from the outside of the Premises, do not involve puncturing, relocating or removing the roof or any existing walls, or changing or interfering with the fire sprinkler or fire detection systems and the cumulative cost thereof during the term of this Lease as extended does not exceed $2,500.00.

(b) **Consent.** Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. All consents given by Lessor, whether by virtue of Paragraph 7.3(a) or by subsequent specific consent, shall be deemed conditioned upon: (I) Lessee's acquiring all applicable permits required by governmental authorities; (Ii) the furnishing of copies of such permits together with a copy of the plans and specifications for the Alteration or Utility Installation to Lessor prior to commencement of the work thereon; and (Iii) the compliance by Lessee with all conditions of said permits In a prompt and expeditious manner. Any Alterations or Utility Installations by Lessee during the term of this Lease shall be done in a good and workmanlike manner, with good and sufficient materials, and be In compliance with all Applicable Requirements. Lessee shall promptly upon completion thereof furnish Lessor with as-built plans and specifications therefore. Lessor may, (but without obligation to do so) condition its consent to any requested Alteration or Utility Installation that costs $2,500.00 or more upon Lessee's providing Lessor with a lien and completion bond In an amount equal to one and one-half times the estimated cost of such Alteration or Utility Installation.

(c) **Lien Protection.** Lessee shall pay when due all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or material man's lien against the Premises or any Interest therein. Lessee shall give Lessor not less than ten (10) days' notice prior to the commencement of any work In, on, or about the Premises, and Lessor shall have the right to post notices of non-responsibility In or on the Premises as provided by law. If Lessee shall, in good faith, contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense, defend and protect Itself, Lessor and the Premises against the same and shall pay and satisfy

Initials:_____

_____

any such adverse judgment that may be rendered thereon before the enforcement thereof against the Lessor or the Premises. It Lessor shall require, Lessee shall furnish to Lessor a surely bond satisfactory to Lessor in an amount equal to one and one-half times the amount of such contested lien claim or demand, indemnifying Lessor against liability for the same, as required by law for the holding of the Premises free from the effect of such lien or claim. In addition, Lessor may require Lessee to pay Lessor's attorneys' fees and costs in participating in such action If Lessor shall decide it Is to Its best Interest to d:) so.

7.4 **Ownership, Removal, Surrender, and Restoration.**

(a) Ownership. Subject to Lessor's right to require their removal and ,o cause Lessee to become the owner thereof as hereinafter provided in this Paragraph 7.4, all Alterations and Utility Installations made to the Premises by Lessee shall be the property of and owned by Lessee, but considered a part of the Premises. Lessor may, at any time and at its option, elect in writing to Lessee to be the owner of all or any specified part of the Lessee-Owned Alterations and Utility Installations. Unless otherwise instructed per Subparagraph 7.4(b) hereof, all Lessee-Owned Alterations and Utility Installations shall, at the expiration or earlier termination of this Lease, become the property of Lessor and remain upon the Premises and be surrendered with the Premises by Lessee.

(b) Removal. Unless otherwise agreed in writing, Lessor may require that any or all Lessee-Owned Alterations or Utility Installations be removed by the expiration or earlier termination of this Lease, notwithstanding that their installation may have been consented to by Lessor. Lessor may require the removal at any time of all or any part of any Alterations or Utility Installations made without the required consent of Lessor.

(c) Surrender/Restoration. Lessee shall surrender the Premises by the end of the last day of the Lease term or any earlier termination date, clean and free of debris and in good operating order, condition and state of repair, ordinary wear and tear excepted. Ordinary wear and tear shall not include any damage or deterioration that would have been prevented by good maintenance practice or by Lessee performing all of Its obligations under this Lease. Except as otherwise agreed or specified herein, the Premises as surrendered, shall Include the Alterations and Utility Installations. The obligation of Lessee shall Include the repair of any damage occasioned by the installation, maintenance or removal of Lessee's Trade Fixtures, furnishings, equipment, and Lessee-Owned Alterations and Utility Installations, as well as the removal of any storage tank Installed by or for Lessee, and the removal, replacement, or remediation of any soil, material or ground water contaminated by Lessee, all as may then be required by Applicable Requirements and/or good practice. Lessee's Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee subject to its obligation to repair and restore the Premises per this Lease.

8. Insurance; Indemnity.

8.1 **Payment of Premium Increases.**

(a) As used herein, the term **"Insurance Cost Increase"** is defined as. any increase In the actual cost of the insurance applicable to the Building and required to be carried by Lessor pursuant to Paragraphs 8.2(b), 8.3(a) and 8.3(b), ("Required Insurance"), over and above the Base Premium, as hereinafter defined, calculated on an annual basis. "Insurance Cost Increase" shall Include, but not be limited to, requirements of the holder of a mortgage or deed of trust covering the Premises, Increased valuation of the Promises, and/or a general premium rate Increase. he term `Insurance Cost Increase" shall not, however, Include any premium increases resulting from **the nature of the occupancy of any other lessee of the** Building. If the parties Insert a dollar amount In Paragraph 1.9, such amount shall be considered the "Base Premium." If a dollar amount has not been Inserted In Paragraph 1.9 and If the Building has been previously occupied during the twelve (12) month period immediately preceding the Commencement Date, the 'Base Premium" shall be the annual premium applicable to such twelve (12) month period. If the Building was not fully occupied during such twelve (.12) month period, the "Base Premium" shall be the lowest annual premium reasonably obtainable for the Required Insurance as of the Commencement Date, assuming the most nominal use possible of the Building. In no event, however, shall Lessee be responsible for any portion of the premium cost attributable to liability Insurance coverage In excess of $1,000,000 procured under Paragraph 8.2(b).

(b) Lessee shall pay any Insurance Cost Increase to Lessor pursuant to Paragraph 4.2. Premiums for policy periods commencing prior to, or extending beyond, the term of this Lease shall be prorated to coincide with the corresponding Commencement Date or Expiration Date.

8.2 Liability Insurance.

(a) Carried by Lessee. Lessee shall obtain and keep In force during the, term of this Lease a Commercial General Liability policy of insurance protecting Lessee, Lessor and any Lender(s) whose names have been provided to Lessee in writing (as additional Insured) against claims for bodily Injury, personal Injury and property damage based upon, Involving or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant

thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than $1,000,000 per occurrence with an "Additional Insured-Managers or Lessor of Premises" endorsement and contain the "Amendment of the Pollution Exclusion" endorsement for damage caused by heat, smoke or fumes from a hostile fire. The policy shall not contain any Infra-insured exclusions as between Insured persons or organizations, but shall Include coverage for liability assumed under this Lease as an "Insured contract" for the performance o"' Lessee's indemnity obligations under this Lease. The limits of said insurance required by this Lease or as carried by Lessee shall not, however, limit the liability .A Lessee nor relieve Lessee of any obligation hereunder. All insurance to be carried by Lessee shall be primary to and not contributory with any similar insurance carried by Lessor, whose Insurance shall be considered excess insurance only.

(b) Carried by Lessor. Lessor shall also maintain liability insurance described in Paragraph 8.2(a) above, in addition to and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 **Property Insurance-Building, Improvements end Rental Value.**

(a) Building and Improvements. Lessor shall obtain and keep In force during the term of this Lease a policy or policies in the name of Lessor, with loss payable to Lessor and to any Lender(s), Insuring against loss or damage to the Premises. Such insurance shall be for full replacement cost, as the same shall exist from time to time, or the amount required by any Lender(s), but in no event more than the commercially reasonable and available Insurable value thereof If, by reason of the unique nature or age of the Improvements involved, such latter amount Is less than full replacement cost. Lessee-Owned Alterations and Utility Installations, Trade Fixtures and Lessee's personal property shall be insured by Lessee pursuant to Paragraph 8.4. If the coverage Is available and commercially appropriate, Lessor's policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender or included in the Base Premium), including coverage for any additional costs resulting from debris removal and reasonable amounts of coverage for the enforcement of any ordinance or law regulating the reconstruction or replacement of any undamaged sections of the Building required to be demolished or removed by reason of the enforcement of any building, zoning, safety or land use laws as the result of a covered loss, but not including plate glass insurance. Said policy or policies shall also contain an agreed valuation provision in lieu of any co-insurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located.

(b) **Rental Value.** Lessor shall also obtain and keep In force during the term of this Lease a policy or policies In the name of Lessor, with loss payable to Lessor and any Lender(s), Insuring the loss of the full rental and other charges payable by all lessees of the Building to Lessor for one year (including all Real Property Taxes, insurance costs,. all Common Area Operating Expenses and any scheduled rental Increases). Said Insurance may Provide that In the event the Lease is terminated by reason of an insured loss, the period of indemnity for such coverage shall be extended beyond the date of the completion of repairs or replacement of the Premises, to provide for one full year's loss of rental revenues from the date of any such loss. Said insurance shall contain

Initials:_____

_____

an agreed valuation provision in lieu of any co-insurance clause, and the amount of coverage shall be adjusted annually to reflect the projected rental income, Real Property Taxes, insurance premium costs and other expenses, if any, otherwise payable, for the next 12-month period. Common Area Operating Expenses shall include any deductible amount in the event of such loss.

(c) Adjacent Premises. Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Industrial Center if said increase is caused by Lessee's acts, omissions, use or occupancy of the premises.

(d) **Lessee's Improvements.** Since Lessor is the Insuring Party, Lessor shall not be required to insure Lessee-Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease.

8.4 **Lessee's Property Insurance.** Subject to the requirements of Paragraph 8.5, Lessee at its cost shall either by separate policy or, at Lessor's option, by endorsement to a policy already carried, maintain insurance coverage on all of Lessee's personal property, Trade Fixtures and Lessee-Owned Alterations and Utility Installations in, on, or about the Premises similar in coverage to that carried by Lessor as the Insuring Party under Paragraph 8.3(a). Such insurance shall be full replacement cost coverage with a deductible not to exceed $1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property and the restoration of Trade Fixtures and Lessee-Owned Alterations and Utility Installations. Upon request from Lessor, Lessee shall provide Lessor with written evidence that such insurance is in force.

8.5 **Insurance Policies.** Insurance required hereunder shall be in companies duly licensed to transact business in the state where the Premises are located, and maintaining during the policy term a "General Policyholders Rating" of at least B+, V, or such other rating as may be required by a Lender, as set forth in the most current issue of "Best's Insurance Guide." Lessee shall not do or permit to be done anything which shall invalidate the insurance policies referred to in this Paragraph 8. Lessee shall cause to be delivered to Lessor, within seven (7) days after the earlier of the Early Possession Date or the Commencement Date, certified copies of, or certificates evidencing the existence and amounts of, the insurance required under Paragraph 8.2(a) and 8.4. No such policy shall be cancelable or subject to modification except after thirty (30) days' prior written notice to Lessor. Lessee shall at least thirty (30) days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand.

8.6 **Waiver of Subrogation.** Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages (whether in contract or in tort) against the other, for loss or damage to their property arising out of or incident to the perils required to be insured against under Paragraph 8. The effect of such releases and waivers of the right to recover damages shall not be limited by the amount of insurance carried or required, or by any deductibles applicable thereto. Lessor and Lessee agree to have their respective insurance companies issuing property damage insurance waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 **Indemnity.** Except for Lessor's negligence and/or breach of express warranties, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground Lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, costs, liens, judgments, penalties, loss of permits, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the occupancy of the Premises by Lessee, the conduct of Lessee's business, any act, omission or neglect of Lessee, its agents, contractors, employees or invitees, and out of any Default or Breach by Lessee in the performance in a timely manner of any obligation on Lessee's part to be performed under this Lease. The foregoing shall include, but not be limited to the defense or pursuit of any claim or any action or proceeding involved therein, and whether or not (in the case of claims made against Lessor) litigated and/or reduced to judgment. In case any action or proceeding be brought against Lessor by reason of any of the foregoing matters, Lessee upon notice from Lessor shall defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be so indemnified.

8.8 **Exemption of Lessor from Liability.** Lessor shall not be liable for injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether said injury or damage results from conditions arising upon the Premises or upon other portions of the Building of which the Premises are a part, from other sources or places, and regardless of whether the cause of such damage or injury or the means of repairing the same is accessible or not. Lessor shall not be liable for any damages arising from any act or neglect of any other lessee of Lessor nor from the failure by Lessor to enforce the provisions of any other lease in the Industrial Center. Notwithstanding Lessor's negligence or breach of this Lease, Lessor shall under no circumstances be liable for injury to Lessee's business or for any loss of income or profit therefrom.

9. Damage or Destruction.

9.1 **Definitions.**

(a) **"Premises Partial Damage"** shall mean damage or destruction to the Premises, other than Lessee-Owned Alterations and Utility Installations, the repair cost of which damage or destruction is less than fifty percent (50%) of the then Replacement Cost (as defined in Paragraph 9.1(d)) of the Premises (excluding Lessee-Owned Alterations and Utility Installations and Trade Fixtures) immediately prior to such damage or destruction.

(b) **"Premises Total Destruction"** shall mean damage or destruction to the Premises, other than Lessee-Owned Alterations and Utility Installations, the repair cost of which damage or destruction is fifty percent (50%) or more of the then Replacement Cost of the Premises (excluding Lessee-Owned Alterations and Utility Installations and Trade Fixtures) immediately prior to such damage or destruction. In addition, damage or destruction to the Building, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures of any lessees of the Building, the cost of which damage or destruction is fifty percent (50%) or more of the then Replacement Cost (excluding Lessee-Owned Alterations and Utility Installations and Trade Fixtures of any lessees of the Building) of the Building shall, at the option of Lessor, be deemed to be Premises Total Destruction.

(c) **"Insured Loss"** shall mean damage or destruction to the Premises, other than Lessee-Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a) irrespective of any deductible amounts or coverage limits involved.

(d) **"Replacement Cost"** shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of applicable building codes, ordinances or laws, and without deduction for depreciation.

(e) **"Hazardous Substance Condition"** shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance as defined in Paragraph 6,2(a), in, on, or under the Premises.

9.2 **Premises Partial Damage-Insured Loss.** If Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee-Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect. In the event, however, that there is a shortage of insurance proceeds and such shortage is due to the fact that, by reason of the unique nature of the improvements in the Premises, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within ten (10) days following receipt of written notice of such shortage and request therefore. If Lessor receives said funds or adequate assurance thereof within said ten (10) day period, Lessor shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If Lessor does not receive such funds or assurance within said period, Lessor may nevertheless

elect by written notice to Lessee within ten (10) days thereafter to make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect. If Lessor does not receive such funds or assurance within such ten (10) day period, and if Lessor does not so elect to restore and repair, then this Lease shall terminate sixty (60) days following the occurrence of the damage or destruction. Unless otherwise agreed, Lessee shall in no event have any right to reimbursement from Lessor for any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3 rather than Paragraph 9.2 notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 **Partial Damage-Uninsured Loss.** If Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense and this Lease shall continue in full force and effect), Lessor may at Lessor's option, either (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) give written notice to Lessee within thirty (30) days after receipt by Lessor of knowledge of the occurrence of such damage of Lessor's desire to terminate this Lease as of the date sixty (60) days following the date of such notice. In the event Lessor elects to give such notice of Lessor's intention to terminate this Lease, Lessee shall have the right within ten (10) days after the receipt of such notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage totally at Lessee's expense and without reimbursement from Lessor. Lessee shall provide Lessor with the required funds or satisfactory assurance thereof within thirty (30) days following such commitment from Lessee. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the funds or assurance thereof within the times specified above, this Lease shall terminate as of the date specified in Lessor's notice of termination.

9.4 **Total Destruction.** Notwithstanding any other provision hereof, if Premises Total Destruction occurs (including any destruction required by any authorized public authority), this Lease shall terminate sixty (60) days following the date of such Premises Total Destruction, whether or not the damage or destruction is an Insured Loss or was caused by a negligent or willful act of Lessee. In the event, however, that the damage or destruction was caused by Lessee, Lessor shall have the right to recover Lessor's damages from Lessee except as released and waived in Paragraph 9.7.

9.5 Damage Near End of Term. If at any time during the last six (6) months of the term of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an insured Loss, Lessor may, at Lessor's option, terminate this Lease effective sixty (60) days following the date of occurrence of such damage by giving written notice to Lessee of Lessor's election to do so within thirty (30) days after the date of occurrence of such damage. Provided, however, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by (a) exercising such option, and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is ten (10) days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's expense repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period. then this Lease shall terminate as of the date set forth in the first sentence of this Paragraph 9.5.

9.6 Abatement of Rent; Lessee’s Remedies

(a) In the event of (i) Premises Partial Damage or (ii) Hazardous Substance Condition for which Lessee is not legally responsible, the Base Rent, Common Area Operating Expenses and other charges, if any, payable by Lessee hereunder for the period during which such damage or condition, its repair, remediation or restoration continues, shall be abated in proportion to the degree to which Lessee’s use of the Premises is impaired, but not in excess of proceeds from insurance required to be carried under Paragraph 8.3(b). Except for abatement of Base Rent, Common Area Operating Expenses and other charges, if any, as aforesaid, all other conditions of Lessee hereunder shall be performed by Lessee, and Lessee shall have no claim against Lessor for any damage suffered by reason of any such damage, destruction, repair, remediation or restoration.

(b) If Lessor shall be obligated to repair or restore the Premises under the provisions of this Paragraph 9 and shall not commence, in a substantial and meaningful way, the repair or restoration of the Premises within ninety (90) days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice of Lessee's election to terminate this Lease on a date not less than sixty (60) days following the giving of such notice. If Lessee gives such .notice to Lessor and such Lenders and such repair or restoration is not commenced within thirty (30) days after receipt of such notice, this Lease shall terminate as of the date specified in said notice. If Lessor or a Lender commences the repair or restoration of the Premises within thirty (30) days after the receipt of such notice. this Lease shall continue in full force and effect. "Commence" as used in this Paragraph 9.6 shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever occurs first. .

9.7 **Hazardous Substance Conditions.** If a Hazardous Substance Condition occurs, unless Lessee is legally responsible therefore (in which case Lessee shall make the investigation and remediation thereof required by Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(c) and Paragraph 13), Lessor may at Lessor's option either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to investigate and remediate such condition exceeds twelve (12) times the then monthly Base Rent or $100,000 whichever is greater, give written notice to Lessee within thirty (30) days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition of Lessor's desire to terminate this Lease as of the data sixty (60) days following the date of such notice. In the event Lessor elects to give such notice of Lessor's intention to terminate this Lease, Lessee shall have the right within ten (10) days after the receipt of such notice to give written notice to Lessor of Lessee's commitment to pay for the excess costs of (a) investigation and remediation of such Hazardous Substance Condition to the extent required by Applicable Requirements, over (b) an amount equal to twelve (12) times the then monthly Base Rent or $100,000, whichever is greater. Lessee shall provide Lessor with the funds required of Lessee or satisfactory assurance thereof within thirty (30) days following said commitment by Lessee. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such investigation and remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time period specified above, this Lease shall terminate as of the date specified in Lessor's notice of termination.

9.8 Termination-Advance Payments. Upon termination of this Lease pursuant to this Paragraph 9, Lessor shall return to Lessee any advance payment made by Lessee to Lessor and so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor under the terms of this Lease.

9.9 Waiver of Statutes. Lessor and Lessee agree that the terms of this Lease shall govern the effect of any damage to or destruction of the Premises and the Building with respect to the termination of this Lease and hereby waive the provisions of any present or future statute to the extent it is inconsistent herewith.

10. Real Property Taxes.

10.1 Payment of Taxes. Lessor shall pay the Real Property Taxes, as defined in Paragraph 10.2(a), applicable to the Industrial Center, and except as otherwise provided in Paragraph 10.3, any increases in such amounts over the Base Real Property Taxes shall be included in the calculation of Common Area Operating Expenses in accordance with the provisions of Paragraph 4.2.

10.2 Real Property Tax Definitions.

(a) As used herein, the term **"Real Property Taxes"** shall include any form of real estate tax or assessment, general, special, ordinary or extraordinary, and any license fee, commercial rental tax, improvement bond or bonds, levy or tax (other than inheritance, personal income or estate taxes) imposed

Initials:_____

_____

upon the Industrial Center by any authority having the direct or indirect power to tax, including any city, state or federal government, or any school, agricultural, sanitary, fire, street, drainage, or other improvement district thereof, levied against any legal or equitable interest of Lessor in the Industrial Center or any portion thereof, Lessor's right to rent or other income therefrom, and/or Lessor's business of leasing the Premises. The term "Real **Property Taxes"** shall also include any tax, fee, levy, assessment or charge, or any increase therein, imposed by reason. of events occurring, or changes in Applicable Law taking effect, during the term of this Lease, including but not limited to a change in the ownership of the Industrial Center or in the improvements thereon, the execution of this Lease, or any modification, amendment or transfer thereof, and whether or not contemplated by the Parties.

(b) As used herein, the term **"Base Real Property Taxes"** shall be the amount of Real Property Taxes, which are assessed against the Premises, Building or Common Areas in the calendar year during which the Lease is executed. In calculating Real Property Taxes for any calendar year, the Real Property Taxes for any real estate tax year shall be included in the calculation of Real Property Taxes for such calendar year based upon the number of days which such calendar year and tax year have in common.

10.3 **Additional Improvements.** Common Area Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Industrial Center by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Notwithstanding Paragraph 10.1 hereof, Lessee shall, however, pay to Lessor at the time Common Area Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request.

10.4 Joint Assessment. If the Building is not separately assessed. Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Properly Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 **Lessee's Property Taxes.** Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee-Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises or stored within the Industrial Center. When possible, Lessee shall cause its Lessee-Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within ten (10) days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. Utilities. Lessee shall pay directly for all utilities and services supplied to the Premises, including but not limited to electricity, telephone, security, gas and cleaning of the Premises, together with any taxes thereon. If any such utilities or services are not separately metered to the Premises or separately billed to the Premises, Lessee shall pay to Lessor a reasonable proportion to be determined by Lessor of alt such charges jointly metered or billed with other premises in the Building, in the manner and within the time periods set forth in Paragraph 4.2(d).

12. Assignment and Subletting.

12.1 Lessor's Consent Required.

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or otherwise transfer or encumber (collectively, "assign") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent given under and subject to the terms of Paragraph 36.

(b) A change in the control of Lessee shall constitute an assignment requiring Lessor's consent. The transfer, on a cumulative basis, of twenty-five percent (25%) or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale acquisition financing, refinancing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the **Net Worth of** Lessee, as hereinafter defined, by an amount equal to or greater than twenty-five percent (25%) of such Net Worth of Lessee as it was represented to Lessor at the time of full execution and deliver] of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, at whichever time said Net Worth of Lessee was or is greater, shall be considered an assignment of this Lease by Lessee to which Lessor may reasonably withhold its consent. **"Net Worth of Lessee"** for purposes of this Lease shall be the net worth of Lessee (excluding any Guarantors) established under generally accepted accounting principles consistently applied.

(d) An assignment or subletting of Lessee's interest in this Lease without Lessor's specific prior written consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1, or a non-curable Breach without the necessity of any notice and grace, period. If Lessor elects to treat such unconsented to assignment or subletting as a non-curable Breach, Lessor shall have the right to either: (i) terminate this Lease, or (ii) upon thirty (30) days' written notice **("Lessor's Notice"),** increase the monthly Base Rent for the Premises to the greater of the then fair market rental value of the Premises, as reasonably determined by Lessor, or one hundred ten percent (110%) of the Base Rent then in effect. Pending determination of the new fair market rental value, if disputed by Lessee, Lessee shall pay the amount set forth in Lessor's Notice, with any overpayment credited against the next installment(s) of Base Rent coming due, and any underpayment for the period retroactively to the effective date of the adjustment being due and payable immediately upon the determination thereof. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to the then fair market value as reasonably determined by Lessor (without the Lease being considered an encumbrance or any deduction for depreciation or obsolescence, and considering the Premises at its highest and best use and in good condition) or one hundred ten percent (110%) of the price previously in effect, (ii) any index-oriented rental or price adjustment formulas contained in this Lease shall be adjusted to require that the base index be determined with reference to the index applicable to the time of such adjustment, and (iii) any fixed rental adjustments scheduled during the remainder of the Lease term shall be increased in the same ratio as the new rental bears to the Base Rent in effect immediately prior to the adjustment specified in Lessor's Notice.

(e) Lessee's remedy for any breach of this Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

12.2 **Terms and Conditions Applicable to Assignment and Subletting.**

(a) Regardless of Lessor's consent, any assignment or subletting shall not (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, nor (iii) alter the primary liability of Lessee for the payment of Base Rent and other sums due Lessor hereunder or for the performance of any other obligations to be performed by Lessee under this Lease.

(a) Lessor may accept any rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of any rent for performance shall constitute a waiver or estoppel of Lessor’s right to exercise itsd remedies for the Default or Breach by Lessee of any of the terms, covenants or conditions of this Lease.

(b) The consent of Lessor to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting by Lessee or to any subsequent or successive assignment or subletting by the assignee or sublessee. However, Lessor may consent to subsequent sublettings and assignments of the sublease or any amendments or modifications thereto without notifying Lessee or anyone else liable under this Lease or the sublease and without obtaining their consent, and such action shall not relieve such persons from liability under this Lease or the sublease.

Initials:_____

_____

(d) In the event of any Default or Breach of Lessee's obligation under this Lease Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of the Lessee's obligations under this Lease, including any sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a non-refundable deposit of $1,000 or ten percent (10%) of the monthly Base Rent applicable to the portion of the Premises which is the subject of the proposed assignment or sublease, whichever is greater, as reasonable consideration for Lessor's considering and processing the request for consent. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested by Lessor.

(f) Any assignee of, or sublessee under, this Lease shall by reason of accepting such assignment or entering into such sublease, be deemed for the benefit of Lessor, to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented in writing.

(g) The occurrence of a transaction described in Paragraph 12.2(c) shall give Lessor the right (but not the obligation) to require that the Security Deposit be increased by an amount equal to six (6) times the then monthly Base Rent, and Lessor may make the actual receipt by Lessor of the Security Deposit increase a condition to Lessor's consent to such transaction.

(h) Lessor, as a condition to giving its consent to any assignment or subletting, may require that the amount and adjustment schedule of the rent payable under this Lease be adjusted to what is then the market value and/or adjustment schedule for property similar to the Premises as then constituted, as determined by Lessor.

12.3 **Additional Terms and Conditions Applicable to Subletting.** The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all rentals and income arising from any sublease of all or a portion of the Premises heretofore or hereafter made by Lessee, and Lessor may collect such rent and income and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach (as defined in Paragraph 13.1) shall occur in the performance of Lessee's obligations under this Lease, Lessee may, except as otherwise provided in this Lease, receive, collect and enjoy the rents accruing under such sublease. Lessor shall not, by reason of the foregoing provision or any other assignment of such sublease to Lessor, nor by reason of the collection of the rents from a sublessee, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee under such Sublease. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor the rents and other charges due and to become due under the sublease. Sublessee shall rely upon any such statement and request from Lessor and shall pay such rents and other charges to Lessor without any obligation or right to inquire as to whether such Breach exists and notwithstanding any notice from or claim from Lessee to the contrary. Lessee shall have no right or claim against such sublessee, or, until the Breach has been cured, against Lessor, for any such rents and other charges so paid by said sublessee to Lessor.

(b) In the event of a Breach by Lessee in the performance of its obligations under this Lease, Lessor, at its option and without any obligation to do so, may require any sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any other prior defaults or breaches of such sublessor under such sublease.

(c) Any matter or thing requiring the consent of the sublessor under a sublease shall also require the consent of Lessor herein.

(d) No sublessee under a sublease approved by Lessor shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. **Default; Breach; Remedies.**

13.1 **Default; Breach.** Lessor and Lessee agree that if an attorney is consulted by Lessor in connection with a Lessee Default or Breach (as hereinafter defined), $350.00 is a reasonable minimum sum per such occurrence for legal services and costs in the preparation and service of a notice of Default, and that Lessor may include the cost of such services and costs in said notice as rent due and payable to cure said default. A **"Default"** by Lessee is defined as a failure by Lessee to observe, comply with or perform any of the terms, covenants, conditions or rules applicable to Lessee under this Lease. **A "Breach"** by Lessee is defined as the occurrence of any one or more of the following Defaults, and, where a grace period for cure after notice is specified herein, the failure by Lessee to cure such Default prior to the expiration of the applicable grace period, and shall entitle Lessor to pursue the remedies set forth in Paragraphs 13.2 and/or 13.3:

(a) The vacating of the Premises without the intention to reoccupy same, or the abandonment of the Premises.

(b) Except as expressly otherwise provided in this Lease, the failure by Lessee to make any payment of Base Rent, Lessee's Share of Common Area Operating Expenses, or any other monetary payment required to be made by Lessee hereunder as and when due the failure by Lessee to provide Lessor with reasonable evidence of insurance or surety bond required under this Lease, or the failure of Lessee to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of three (3) days following written notice thereof by or on behalf of Lessor to Lessee.

(c) Except as expressly otherwise provided in this Lease, the failure by Lessee to provide Lessor with reasonable written evidence (in duly executed original form, if applicable) of (i) compliance with Applicable Requirements per Paragraph 6.3, (ii) the inspection, maintenance and service contracts required under Paragraph 7.1(b), (iii) the rescission of an unauthorized assignment or subletting per Paragraph 12.1, (iv) a Tenancy Statement per Paragraphs 16 or 37, (v) the subordination or non-subordination of this Lease per Paragraph 30, (vi) the guaranty of the performance of Lessee's obligations under this Lease if required under Paragraphs 1.11 and 37, (vii) the execution of any document requested under Paragraph 42 (easements), or (viii) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this lease, where any such failure continues for a period of ten (10) days following written notice by or on behalf of Lessor to Lessee.

(d) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 40 hereof that are to be observed, complied with or performed by Lessee, other than those described in Subparagraphs 13.1(a), (b) or (c), above, where such Default continues for a period of thirty (30) days after written notice thereof by or on behalf of Lessor to Lessee; provided, however, that if the nature of Lessee's Default is such that more than thirty (30) days are reasonably required for its cure, then it shall not be deemed to be a Breach of this Lease by Lessee if Lessee commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

(e) The occurrence of any of the following events: (i) the making by Lessee of any general arrangement or assignment for the benefit of creditors; (ii) Lessee's becoming a "debtor" as defined in 11 U.S. Code Section 101 or any successor statute thereto (unless, in the case of a petition filed against

Lessee, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within thirty (30) days; provided, however, in the event that any provision of this Subparagraph 13.1 (e) is contrary to any applicable law, such provision shall be of no force or effect, and shall not affect the validity of the remaining provisions.

(f) The discovery by Lessor that any financial statement of Lessee or of any Guarantor, given to Lessor by Lessee or any Guarantor, was materially false.

(g) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory breach basis, and Lessee's failure, within sixty (60) days following written notice by or on behalf of Lessor to Lessee of any such event, to provide Lessor with written alternative assurances of security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 **Remedies.** If Lessee fails to perform any affirmative duty or obligation of Lessee under this Lease, within ten (10) days after written notice to Lessee (or in case of an emergency, without notice), Lessor may at its option (but without obligation to do so), perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. The costs and expenses of any such performance by Lessor shall be due and payable by Lessee to Lessor upon invoice therefor. If any check given to Lessor by Lessee shall not be honored by the bank upon which it is drawn, Lessor, at its own option, may require all future payments to be made under this Lease by Lessee to be made only by cashier's check. In the event of a Breach of this Lease by Lessee (as defined in Paragraph 13.1), with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach, Lessor may:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease and the term hereof shall terminate and Lessee shall immediately surrender possession of the Premises to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the worth at the time of the award of the unpaid rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco or the Federal Reserve Bank District in which the Premises are located at the time of award plus one percent (1%). Efforts by Lessor to mitigate damages caused by Lessee's Default or Breach of this Lease shall not waive Lessor's right to recover damages under this Paragraph 13.2. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding the unpaid rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit for such rent and/or damages. If a notice and grace period required under Subparagraph 13.1(b), (c) or (d) was not previously given, a notice to pay rent or quit, or to perfcrm or quit, as the case may be, given to Lessee under any statute authorizing the forfeiture of leases for unlawful detainer shall also constitute the applicable notice for grace period purposes required by Subparagraph 13.1(b),(c) or (d). In such case, the applicable grace period under the unlawful detainer statue shall run concurrently after the one such statutory notice, and the failure of Lessee to cure the Default within the greater of the two (2) such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession in effect (in California under California Civil Code Section 1951.4) after Lessee's Breach and recover the rent as it becomes due, provided Lessee has the right to sublet or assign, subject only to reasonable limitations. Lessor and Lessee agree that the limitations on assignment and subletting in this Lease are reasonable. Acts of maintenance or preservation, efforts to relet the Premises, or the appointment of a receiver to protect the Lessor's interest under this Lease, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available to Lessor under the laws or judicial decisions of the state wherein the Premises are located.

(d) The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 Inducement Recapture In Event of Breach. Any agreement by Lessor for free or abated rent or other charges applicable to the Premises, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as **"Inducement Provisions"** shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease to be performed or observed by Lessee during the term hereof as the same may be extended. Upon the occurrence of a Breach (as defined in Paragraph 13.1) of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force o; effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, and recoverable by Lessor, as additional rent due under this Lease. notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this Paragraph 13.3 shall not be deemed a waiver by Lessor of the provisions of this Paragraph 13.3 unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee to Lessor of rent and other sums due hereunder will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such cots include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by the terms of any ground lease, mortgage or deed of trust covering the Premises. Accordingly, if any installment of rent or other sum due from Lessee shaii not be received by Lessor or Lessor's designee within ten (10) days after such amount shall be due, then, without any requirement for notice to Lessec, Lessee shall pay to Lessor a late charge equal to six percent (6%) of such overdue amount. The parties hereby agree that such !ate charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of late payment by Lessee. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent Lessor from exercising any of the other rights and remedies granted hereunder. In the event that a late charge is payable nereunder, whether or no; collected, for three (3) consecutive installments of Base Rent, then notwithstanding Paragraph 4.1 or any other provision of this Lease to the contrary. Base Rant shall, at Lessor's option, become due and payable quarterly in advance.

13.5 Breach by Lessor. Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph 13.5, a reasonable time shall in no event be less than thirty (30) days after receipt by Lessor, and by any Lender(s) whose name and address shall have been furnished to Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than thirty (30) days after such notice are reasonably required for its performance, then Lessor shall not be in breach of this Lease if performance is commenced within such thirty (30) day period and thereafter diligently pursued to completion.

14. **Condemnation.** If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (all of which are herein called "condemnation"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than ten percent (10%) of the floor area of the Premise, or more than twenty-five percent (25%) of

Initials:_____

_____

the portion of the Common Areas designated for Lessee's parking, is taken by condemnation, Lessee may, at Lessee's option, to be exercised in writing within ten (10) days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within ten (10) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in the same proportion as the rentable floor area of the Premises taken bears to the total rentable floor area of the Premise. No reduction of Base Rent shall occur if the condemnation does not apply to any portion of the Premises. Any award for the taking of all or any part of the Premises under the power of eminent domain or any payment made under threat of the exercise of such power shall be the property of Lessor, whether such award shall be made as compensation for diminution of value of the leasehold or for the taking of the fee, or as severance damages; provided, however, that Lessee shall be entitled to any compensation, separately awarded to Lessee for Lessee's relocation expenses and/or loss of Lessee's Trade Fixtures. In ties event that this Lease is not terminated by reason of such condemnation, Lessor shall to !he extent of its net severance damages received, over and above Lessee's Share of the legal anal other expenses incurred by Lessor in the condemnation natter, repair any damage to the Premises caused by such condemnation authority. Lessee shall be responsible for the payment of any amount in excess of such net severance damages required to complete such repair.

15. **Brokers'** Fees.

15.1 **Procuring Cause.** The Brokers) named in Paragraph 1.10 is/are the procuring cause of this Lease.

15.2 **Additional Terms.** Unless Lessor and Broker(s) have otherwise agreed in writing, Lessor agrees that: (a) if Lessee exercises any Option (as defined in Paragraph 39.1) granted under this Lease or any Option subsequently granted, or (b) if Lessee acquires any rights to the Premises or other premises in which Lessor has an interest, or (c) if Lessee remains in possession of tile Premises with tile consent of Lesser aft-3i the expiration of the term of this Lease after having failed to exercise an Option, or (d) if said Brokers are the procuring cause of any oilier lease or saie entered into between the Parties pertaining to the Premises and/or any adjacent property in which Lessor has an interest, or (e) if Base Rent is increased, whether by agreement or operation of an escaiation c!-use herein, then as to any of said transactions, Lessor shall pay said Broker(s) a fee in accordance with the schedule of said Broker(s) in effect at the time of the execution of this Lease.

15.3 **Assumption of Obligations.** Any buyer or transferee of lessor's interest in this Lease whether such transfer is by agreement or by operation of law, shall be deemed to have assumed Lessor's obligation under this Paragraph 15. Each Broker shall be an intended third party beneficiary of the provisions of Paragraph 1.10 and of this Paragraph 15 to the. extent of its interest in any commission arising from this Lease and may enforce that right directly against Lessor and its successors.

15.4 Representations and Warranties. Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder other than as named in Paragraph 1.10(a) in connection with the negotiation of this Lease and/or the consummation of the transaction. contemplated hereby, and that no broker or other person, firm or entity ether than said named Broker(s) is entitled to any commission or finder's fee in connection with said transaction. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, and/or attorneys' fees reasonably incurred with respect thereto.

16. **Tenancy and Financial Statements.**

16.1 **Tenancy Statement.** Each Party (as **"Responding Party")** shall within ten (10) days after written notice from the other Party (the **"Requesting Party")** execute, acknowledge and deliver to the Requesting Party a statement in writing in a form similar to the then most current "Tenancy Statement" form published by the American Industrial Real Estate Association, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

16.2 **Financial Statement.** If Lessor desires to finance, refinance, or sell the Premises or the Building, or any part thereof, Lessee and all Guarantors shall deliver to any potential lender or purchaser designated by Lessor such financial statements of Lessee and such Guarantors as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past three (3) years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. **Lessor's Liability.** The term **"Lessor"** as used herein shall mean the owner or owners at the time in question of the fee title to the Premises. In the event of a transfer of Lessor's tifle or interest in the Premises or in this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor at the time of such transfer or assignment. Except as provided in Paragraph 15.3, upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of ail liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. **Interest on Past-Due Obligations.** Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor within ten (10) days following the date on which it was due, shall bear interest from the date due at the prime rate charged by the largest state chartered bank in the state in which the Premises are located plus four percent (4%) per annum, but not exceeding the maximum rate allowed by law, in addition to the potential late charge provided for in Paragraph 13.4.

20. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

21. Rent Defined. All monetary obligations of Lessee to Lessor under the terms of this Lease are deemed to be rent.

22. No Prior or other Agreenments; Broker Disclaimer. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party. Each Broker shall be an intended third party beneficiary of the provisions of this Paragraph 22.

23. Notices

23.1 Notice Requirements. All notices required or permitted by this Lease shall be in writing and may be delivered in person (by hand or by messenger or courier service) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission during normal business hours, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notice purposes. Either Party may by written notice to the other specify a different address for notice purposes, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for the purpose of mailing or delivering notices to Lessee. A copy of all notices required or permitted to be given to Lessor hereunder shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate by written notice to Lessee.

Initials:_____

_____

23.2 Date of Notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail, the notice shall be deemed given forty-eight (48) hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given twenty-four (24) hours after delivery of the same to the United States Postal Service or courier. If any notice is transmitted by facsimile transmission or similar means, the same shall be deemed served or delivered upon telephone or facsimile confirmation of receipt of the transmission thereof, provided a copy is also delivered via delivery or mail. If notice is received on a Saturday or a Sunday or a legal holiday, it shall be deemed received on the next business day.

24. Waivers. No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or any other term, covenant or condition hereof. Lessor's consent to, or approval of, any such act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent. Regardless of Lessor's knowledge of a Default or Breach at the time of accepting rent, the acceptance of rent by Lessor shall not be a waiver of any Default or Breach by Lessee of any provision hereof. Any payment given Lessor by Lessee may be accepted by Lessor on account of moneys or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

25. Recording. Either Lessor or Lessee shall, upon request of the other, execute, acknowledge and deliver to the other a short form memorandum of this Lease for recording purposes. The Party requesting recordation shall be responsible for payment of any fees or taxes applicable thereto.

26. **No Right To Holdover.** Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or earlier termination of this Lease. In the event that Lessee holds over in violation of this Paragraph 26 then the Base Rent payable from and after the time of the expiration or earlier termination of this Lease shall be increased to two hundred percent (200%) of the Base Rent applicable during the month immediately preceding such expiration or earlier termination. Nothing contained herein shall be construed as a consent by Lessor to any holding over by Lessee.

27. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. Covenants and Conditions. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions.

29. **Binding Effect; Choice of Law.** This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. Subordination; Attornment; Non-Disturbance.

30.1 Subordination. This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "Security Device"), now or hereafter placed by Lessor upon the real property of which the Premises are a part, to any and all advances made on the security thereof, and to all renewals, modifications, consolidations, replacements and extensions thereof. Lessee agrees that the Lenders holding any such Security Device shall have no duty, liability or obligation to perform any of the obligations of Lessor under this Lease, but that in the event of Lessor's default with respect to any such obligation, Lessee will give any Lender whose name and address have been furnished Lessee in writing for such purpose notice of Lessor's default pursuant to Paragraph 13.5. If any Lender shall elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device and shall give written notice thereof to Lessee, this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 Attornment. Subject to the non-disturbance provisions of Paragraph 30.3, Lessee agrees to attorn to a Lender or any other party who acquires ownership of the Premises by reason of a foreclosure of a Security Device, and that in the event of such foreclosure, such new owner shall not: (i) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership, (ii) be subject to any offsets or defenses which Lessee might have against any prior lessor, or (iii) be bound by prepayment of more than one month's rent.

30.3 Non-Disturbance. With respect to Security Devices entered into by Lessor after the execution of this lease, Lessee's subordination of this Lease shall be subject to receiving assurance (a "non-disturbance agreement") from the Lender that Lessee's possession and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises.

30.4 Self-Executing. The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any such subordination or non-subordination, attornment and/or non-disturbance agreement as is provided for herein.

31. Attorneys' Fees. If any Party or Broker brings an action or proceeding to enforce the terms hereof or, declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term **"Prevailing Party"** shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fee award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. Lessor shall be entitled to attorneys' fees, costs and expenses incurred in preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach. Broker(s) shall be intended third party beneficiaries of this Paragraph 31.

32. Lessor's Access; Showing Premises; Repairs. Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times for the purpose of showing the same to prospective purchasers, lenders, or lessees, and making such alterations, repairs, improvements or additions to the Premises or to the Building as Lessor may reasonably deem necessary. Lessor may at any time place on or about the Premises or Building any ordinary "For Sale" signs and Lessor may at any time during the last one hundred eighty (180) days of the term hereof place on or about the Premises any ordinary "For Lease" signs. All such activities of Lessor shall be without abatement of rent or liability to Lessee.

33. Auctions. Lessee shall not conduct, nor permit to be conducted, either voluntarily or involuntarily, any auction upon the Premises without first having obtained Lessor's prior written consent. Notwithstanding anything to the contrary in this Lease, Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to grant such consent.

34. **Signs.** Lessee shall not place any sign upon the exterior of the Premises or the Building, except that Lessee may, with Lessor's prior written consent, install (but not on the roof) such signs as are reasonably required to advertise Lessee's own business so long as such signs are in a location designated by Lessor and comply with Applicable Requirements and the signage criteria established for the Industrial Center by Lessor. The installation of any sign on the Premises by or for Lessee shall be subject to the provisions of Paragraph 7 (Maintenance, Repairs, Utility Installations, Trade Fixtures and Alterations). Unless otherwise expressly agreed herein, Lessor reserves all rights to the use of the roof of the Building, and the right to install advertising signs on the Building, including the roof, which do not unreasonably interfere with the conduct of Lessee's business; Lessor shall be entitled to all revenues from such advertising signs.

35. Termination; Merger. Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, Lessor shall, in the event of any such surrender, termination or cancellation, have the option to continue any one or all of any existing subtenancies. Lessor's failure within ten (10) days following any such event to make a written election to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. Consents.

(a) Except for Paragraph 33 hereof (Auctions) or as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent pertaining to this Lease or the Premises, including but not limited to consents to an assignment a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee to Lessor upon receipt of an invoice and supporting documentation therefor. In addition to the deposit described in Paragraph 12.2(e), Lessor may, as a condition to considering any such request by Lessee, require that Lessee deposit with Lessor an amount of money (in addition to the Security Deposit held under Paragraph 5) reasonably calculated by Lessor to represent the cost Lessor will incur in considering and responding to Lessee's request. Any unused portion of said deposit shall be refunded to Lessee without interest. Lessor's consent to any act, assignment of this Lease or subletting of the Premises by Lessee shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent.

(b) All conditions to Lessor's consent authorized by this Lease are acknowledged by Lessee as being reasonable. The failure to specify herein any particular condition to Lessor's consent shall not preclude the impositions by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given.

37. Guarantor.

37.1 Form of Guaranty. If there are to be any Guarantors of this Lease per Paragraph 1.11, the form of the guaranty to be executed by each such Guarantor shall be in the form most recently published by the American Industrial Real Estate Association, and each such Guarantor shall have the same obligations as Lessee under this lease, including but not limited to the obligation to provide the Tenancy Statement and information required in Paragraph 16.

37.2 **Additional Obligations of Guarantor.** It shall constitute a Default of the Lessee under this Lease if any such Guarantor fails or refuses, upon reasonable request by Lessor to give: (a) evidence of the due execution of the guaranty called for by this Lease, including the authority of the Guarantor (and of the party signing on Guarantor's behalf) to obligate such Guarantor on said guaranty, and resolution of its board of directors authorizing the making of such guaranty, together with a certificate of incumbency showing the signatures of the persons authorized to sign on its behalf, (b) current financial statements of Guarantor as may from time to time be requested by Lessor, (c) a Tenancy Statement, or (d) written confirmation that the guaranty is still in effect.

38. Quiet Possession. Upon payment by Lessee of the rent for the Premises and the performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession of the Premises for the entire term hereof subject to all of the provisions of this Lease.

39. Options.

39.1 Definition. As used in this Lease, the word **"Option"** has the following meaning: (a) the right to extend the term of this Lease or to renew this Lease or to extend or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal to lease the Premises or the right of first offer to lease the Premises or the right of first refusal to lease other property of Lessor or the right of first offer to lease other property of Lessor; (c) the right to purchase the Premises, or the right of first refusal to purchase the Premises, or the right of first offer to purchase the Premises, or the right to purchase other property of Lessor, or the right of first refusal to purchase other property of Lessor, or the right of first offer to purchase other property of Lessor.

39.2 Options Personal to Original Lessee. Each Option granted to Lessee in this Lease is personal to the original Lessee named in Paragraph 1.1 hereof, and cannot be voluntarily or involuntarily assigned or exercised by any person or entity other than said original Lessee while the original Lessee is in full and actual possession of the Premises and without the intention of thereafter assigning or subletting. The Options, if any, herein granted !o Lessee are not assignable, either as a part of an assignment of this Lease or separately or apart therefrom, and no Option may be separated from this Lease in any manner, by reservation or otherwise.

39.3 Multiple Options. In the event that Lessee has any multiple Options to extend or renew this Lease, a later option cannot be exercised unless the prior Options to extend or renew this Lease have been validly exercised.

39.4 Effect of Default on Options.

(a) Lessee shall have no right to exercise an Option, notwithstanding any provision in the grant of Option to the contrary: (i) during the period commencing with the giving of any notice of Default under Paragraph 13.1 and continuing until the noticed Default is cured, or (ii) during the period of time any monetary obligation due Lessor from Lessee is unpaid (without regard to whether notice thereof is given Lessee), or (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessor has given to Lessee three (3) or more notices of separate Defaults under Paragraph 13.1 during the twelve (12) month period immediately preceding the exercise of the Option, whether or not the Defaults are cured.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a)

(c) All rights of Lessee under the provisions of an Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and during the term of this Lease, (i) Lessee fails to pay to Lessor a monetary obligation of Lessee for a period of thirty (30) days after such obligation becomes due (without any necessity of Lessor to give notice thereof to Lessee), or (ii) Lessor gives to Lessee three (3) or more notices of separate Defaults under Paragraph 13.1 during any twelve (12) month period, whether or not the Defaults are cured, or (iii) if Lessee commits a Breach of this Lease.

40. Rules and Regulations. Lessee agrees that it will abide by, and keep and observe all reasonable rules and regulations ("Rules and Regulations") which Lessor may make from time to time for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Industrial Center and their invitees.

41. **Security Measures.** Lessee hereby acknowledges that the rental payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes ail responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

42. Reservations. Lessor reserves the right, from time to time, to grant, without the consent or joinder of Lessee, such easements, rights of way, utility raceways, and dedications that Lessor deems necessary, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights of way, utility raceways, dedications, maps and restrictions do not reasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate any such easement rights, dedications, map or restrictions.

Initials:_____

_____

43. **Performance Under Protest.** If at any time a dispute shelf arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay under the provisions of this Lease.

44. **Authority.** If either Party hereto is a corporation, trust, or general or limited partnership, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. If Lessee is a corporation, trust or partnership, Lessee shall, within thirty (30) days after request by Lessor, deliver to Lessor evidence satisfactory to Lessor of such authority.

45. Conflict. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

46. **Offer.** Preparation of this Lease by either Lessor or Lessee or Lessor's agent or Lessee's agent and submission of same to Lessee or Lessor shall not be deemed an offer to lease. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

47. Amendments. This Lease may be modified only in writing, signed by the parties in interest at the time of the modification. The Parties shall amend this Lease from time to time to reflect any adjustments that are made to the Base Rent or other rent payable under this Lease. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by an institutional insurance company or pension plan Lender in connection with the obtaining of normal financing or refinancing of the property of which the Premises are a part.

48. Multiple Parties. Except as otherwise expressly provided herein, if more than one person or entity is named herein as either Lessor or Lessee, the obligations of such multiple parties shall be the joint and several responsibility of all persons or entities named herein as such Lessor or Lessee.

49.The Lesse has the option to renew this lease with two additional one year terms at $4368.00 for the year 2025 and $4536.00 for the year 2026 with a 90 day notice.

50. Avita is taking the unit as is and is responsible for its upkeep.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALLY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

IF THIS LEASE HAS BEEN FILLED IN, IT HAS BEEN PREPARED FOR YOUR ATTORNEY'S REVIEW AND APPROVAL. FURTHER, EXPERTS SHOULD BE CONSULTED TO EVALUATE THE CONDITION OF THE PROPERTY FOR THE POSSIBLE PRESENCE OF ASBESTOS, UNDERGROUND STORAGE TANKS OR HAZARDOUS SUBSTANCES. NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION OR BY THE REAL ESTATE BROKERS OR THEIR CONTRACTORS, AGENTS OR EMPLOYEES AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES; THE PARTIES SHALL RELY SOLELY UPON THE ADVICE OF THEIR OWN COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE. IF THE SUBJECT PROPERTY IS IN A STATE OTHER THAN CALIFORNIA, AN ATTORNEY FROM THE STATE WHERE THE PROPERTY IS LOCATED SHOULD BE CONSULTED.

The parties hereto have executed this Lease at the place and on the dates specked above their respective signatures.

Executed at:: VENTURA , CA.	Executed at:: Valencia, CA
On: December 06,2023	On: December 11, 2023
By LESSOR:	By LESSEE:
HARTCO-VENTURA INC.	Avita Medical Americas
By: /s/ John Saleh	By: /s/ James Corbett
Name Printed: JOHN SALEH	Name Printed: James Corbett
Title: PRESIDENT	Title: Chief Executive Officer
By:	By:
Name Printed:	Name Printed:
Title:	Title:
Address:	Address:
Telephone: ( )	Telephone: ( )
Facsimile: ( )	Facsimile: ( )

Initials:_____

_____

Initials:_____

_____

Exhibit 10.31

AMENDMENT ONE TO EXECUTIVE EMPLOYMENT AGREEMENT

THIS AMENDMENT ONE ("Amendment One") made and entered into on March 23, 2022, to the EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement"), by and between Avita Medical Ltd, an Australian corporation (the "Company") and Donna Shiroma, an individual (the "Executive"). The Company and Executive are sometimes referred to individually as a "Party" and collectively as the "Parties."

WHEREAS, the Company and Executive (the "Parties") entered into an Executive Employment Agreement with an Effective Date of June 25, 2018;

WHEREAS, the Executive has served as General Counsel of the Company since June 25, 2018;

WHEREAS, due to the redomiciliation of the Company from Australia to the state of Delaware U.S.A. in June 2020, reference to the Company is changed to reflect the United States Company name;

WHEREAS, modification to Executive's base salary, notice term, and benefits in the event of an involuntary termination Without Cause or a resignation with Good Reason (definitions further defined in Executive's Agreement) was approved at the Board of Directors meeting of February 23, 2022 ("Amendment One Effective Date");

WHEREAS, the Parties wish to modify the Executive Employment Agreement to reflect the changes.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and intending to be legally bound, it is hereby agreed by and between the Parties hereto as follows:

1) Due to the redomiciliation of Avita Medical Ltd, an Australian corporation to Avita Medical, Inc. a Delaware corporation, Avita Medical Americas, LLC, its subsidiary and Executive's direct employer, is intended to replace reference to the "Company" along with any and all references and its obligations throughout the Agreement.

2) Section 3.3 (b) (i) and (ii) will be deleted in its entirety and restated hereunder:

(i) Base Salary. The Company shall pay the Executive the equivalent of nine (9) months of the Executive's annual salary in effect at the time of the involuntary termination Without Cause or a resignation with Good Reason in one lump sum payment, less standard deductions and withholdings.

Three Months Notice. The Company shall provide the Executive three (3) months prior written notice in the event of involuntary termination of the Executive's employment Without Cause or a resignation by the Executive for Good Reason.

(ii) Benefits Coverage. The Company shall continue to provide group health, vision, and dental plan benefits to the Executive for a period of nine (9) months from and after the date of termination, with the cost of all regular premiums for such benefits paid by the Company (or its successor).

Except as set forth herein, all other terms and conditions of the original Agreement shall be unaffected and remain unchanged and in full force and effect. If there is a conflict between this Amendment One and the Agreement, the terms of this Amendment One will prevail.

IN WITNESS WHEREOF, the Parties have caused this Amendment One to be executed as of the date noted below.

"COMPANY"
Avita Medical Pty Ltd., an Australian corporation

By: /s/ Michael Perry Date: 4/20/2022
Name: Dr. Michael S. Perry
Title: Executive Director

Amended "COMPANY"
Avita Medical Americas, LLC, a limited liability company incorporated in Delaware

By: /s/ Michael Perry Date: 4/20/2022
Name: Dr. Michael S. Perry
Title: Chief Executive Officer and Executive Director

Executive
Donna Shiroma

By: /s/ Donna Shiroma Date: 3/23/2022
Name: Donna Shiroma
Title: General Counsel

Exhibit 10.32

AMENDMENT TWO TO EXECUTIVE EMPLOYMENT AGREEMENT

THIS AMENDMENT TWO ("Amendment Two") to the EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement"), by and between Avita Medical Americas, LLC, a limited liability company incorporated in Delaware (the "Company") and Donna Shiroma, an individual (the "Executive"). The Company and Executive are sometimes referred to individually as a "Party" and collectively as the "Parties."

WHEREAS, the Company and Executive (the "Parties") entered into the Agreement on May 7, 2018;

WHEREAS, the Parties entered into an Amendment One to the Agreement on March 23, 2023;

WHEREAS, certain modifications to the Agreement were approved at the Board of Directors meeting of August 9, 2023; and

WHEREAS, the Parties wish to modify the Agreement to reflect the changes.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and intending to be legally bound, it is hereby agreed by and between the Parties hereto as follows:

1) Section 3.2 (b) **Good Reason** is replaced in its entirety with the following:

"**Good Reason**. For purposes of this Agreement, "Good Reason" shall mean: (i) a material diminution in Executive's authority, duties, or responsibilities in effect at the time of this Agreement; (ii) any reduction in the Executive's then current base salary; (iii) relocation of Executive's principal place of work by a distance of fifty (50) miles or more from the Executive's then current principal place of work without the Executive's consent; (iv) material breach by the Company of any provision of this Agreement; provided, however, that the conduct described in the foregoing subsections (i) through (iv) will only constitute Good Reason if such conduct is not cured within thirty (30) days after the Company's receipt of written notice from the Executive specifying the particulars of the conduct the Executive believes constitutes Good Reason."

2) Sub-sections 3.3(b)(i)-(iv) "Base Salary", "Pro-Rated Annual Bonus", "Benefits Coverage", and "Equity" are replaced in their entirety with the following:

"(i) Base Salary: The Company shall pay the Executive the equivalent of 12 months of the Executive's annual base salary in effect at the time of the termination Without Cause or resignation with Good Reason in one lump sum payment, less standard deductions and withholdings.

(ii) Bonus: The Company shall pay the Executive a pro-rata portion of

her Annual Bonus payment for the then current fiscal year. The pro-rata Annual Bonus calculation shall assume that the Executive attained 100% of the performance target established for the then current fiscal year and will be prorated for the time the Executive remained employed during the then current fiscal year.

(iii) Benefits Coverage. The Company shall continue to provide group health, vision, and dental plan benefits to the Executive for a period 12 months from and after the date of termination, with the cost of all regular premiums for such benefits paid by the Company (or its successor).

(iv) Equity. Executive's stock options and RSUs shall immediately accelerate so that 100% of any then unvested stock options and RSUs shall immediately vest and become exercisable upon the date of Executive's termination Without Cause or resignation with Good Reason and shall continue to be exercisable for a period of ninety (90) days after such termination or resignation. In the event there is a conflict between this clause and any then active equity

incentive plan regarding the vesting of options at the time of termination, this clause shall prevail."

3) Section 3.3(c) **Termination or Resignation in Connection with Change in Control** is deleted in its entirety and replaced with the following:

(c) Termination in Connection with Change in Control. In the event of a termination arising out of a Change of Control, Executive is entitled to immediate acceleration of Executive's stock options and RSUs so that 100% of any then unvested stock options and RSUs shall immediately vest and become exercisable and shall continue to be exercisable for a period of 90 days. In the event there is a conflict between this clause and any then active equity incentive plan regarding the vesting of options at the time of termination, this clause shall prevail.

Except as set forth herein, all other terms and conditions of the original Agreement shall be unaffected and remain unchanged and in full force and effect. If there is a conflict between this Amendment and the Agreement, the terms of this Amendment will prevail.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed, effective as of August 9, 2023.

"EXECUTIVE"	"COMPANY"
	Avita Medical Americas, LLC
By: /s/ Donna Shiroma	By: /s/ James Corbett
Date: November 14, 2023	Date: December 11, 2023
Name: Donna Shiroma Title: General Counsel	James Corbett Chief Executive Officer

AMENDMENT ONE TO EXECUTIVE EMPLOYMENT AGREEMENT

THIS AMENDMENT ("Amendment") to the EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement"), by and between AVITA Medical, Inc a Delaware corporation and its wholly owned subsidiary, AVITA Medical Americas, LLC, a Delaware limited liability company (the "Company") and David O'Toole, an individual (the "Executive"). The Company and Executive are sometimes referred to individually as a "Party" and collectively as the "Parties."

WHEREAS, the Company and Executive (the "Parties") entered into an Executive Employment Agreement with an Effective Date on or around June 15, 2023;

WHEREAS, certain modifications to the Agreement were approved at the Board of Directors meeting of August 9, 2023;

WHEREAS, the Parties wish to modify the Agreement to reflect the changes.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and intending to be legally bound, it is hereby agreed by and between the Parties hereto as follows:

1) Section 3.2 (b) **Good Reason** is replaced in its entirety with the following:

   "**Good Reason**. For purposes of this Agreement, "Good Reason" shall mean: (i) a material diminution in Executive's authority, duties, or responsibilities in effect at the time of this Agreement; (ii) any reduction in the Executive's then-current base salary; (iii) relocation of Executive's principal place of work by a distance of fifty (50) miles or more from the Executive's then-current principal place of work without the Executive's consent; (iv) material breach by the Company of any provision of this Agreement; provided, however, that the conduct described in the foregoing subsections (i) through (iv) will only constitute Good Reason if such conduct is not cured within thirty (30) days after the Company's receipt of written notice from the Executive specifying the particulars of the conduct the Executive believes constitutes Good Reason."

Except as set forth herein, all other terms and conditions of the original Agreement shall be unaffected and remain unchanged and in full force and effect. If there is a conflict between this Amendment and the Agreement, the terms of this Amendment will prevail.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed, effective as of the August 9, 2023.

"EXECUTIVE"	"COMPANY"
By: /s/ David O'Toole	By: /s/ James Corbett
Date: December 1, 2023	Date: December 11, 2023
Name: David O'Toole Title: Chief Financial Officer	Name: James Corbett Title: Chief Executive Officer

Exhibit 10.34

Execution Version

WAIVER AND FIRST AMENDMENT TO CREDIT AGREEMENT

This **WAIVER AND FIRST AMENDMENT TO CREDIT AGREEMENT** (this "Amendment") is made and entered into as of November 30, 2023 by and among **AVITA MEDICAL, INC.**, a Delaware corporation (the "Borrower"), **ORCO IV LLC**, as a Lender (the "Initial Lender"), and **ORCO IV LLC**, as administrative agent for the Lenders (together with its Affiliates, successors, transferees and assignees, the "Administrative Agent").

WHEREAS, the Borrower, the Initial Lender and the Administrative Agent entered into a Credit Agreement, dated as of October 18, 2023 (the "Credit Agreement"), pursuant to which the Lenders have extended credit to the Borrower on the terms set forth therein;

WHEREAS, pursuant to the definition of "Excluded Subsidiaries" in Section 1.1 of the Credit Agreement and Section 7.12(a)(i)(B) of the Credit Agreement, the amount of cash and Cash Equivalent Investments held by Excluded Subsidiaries shall not exceed $250,000 (the "Excluded Subsidiary Cash Cap" and such requirements, the "Existing Subsidiary Cash Cap Requirement");

WHEREAS, the Excluded Subsidiaries have held, now hold and will continue to hold, to (and including) December 31, 2023 (or such later date agreed to by the Administrative Agent in its sole discretion), cash and Cash Equivalent Investments in excess of the Excluded Subsidiary Cash Cap (the "Existing Excluded Subsidiary Cash Cap Default");

WHEREAS, pursuant to Section 7.12(a) and Section 7.16(e), the Borrower and each Guarantor are required to cause their accounts (other than Excluded Accounts) to be Controlled Accounts, subject to an account control agreement in form and substance reasonably acceptable to the Administrative Agent;

WHEREAS, pursuant to Section 10.1 of the Credit Agreement, the Credit Agreement may be amended by an instrument in writing signed by each of the Borrower and the Lenders and acknowledged by the Administrative Agent;

WHEREAS, the Initial Lender comprises all Lenders under the Credit Agreement; and

WHEREAS, the Borrower and the Initial Lender desire to amend certain provisions of the Credit Agreement as provided in this Amendment.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions; Loan Document**. Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Credit Agreement. This Amendment shall constitute a Loan Document for all purposes of the Credit Agreement and the other Loan Documents.

2. **Waiver.** The Initial Lender hereby (i) waives the Existing Excluded Subsidiary Cash Cap Default and (ii) solely from the First Amendment Effective Date to (and including) December 31, 2023 (or such later date agreed to by the Administrative Agent in its sole discretion), agrees that the Excluded Subsidiary Cash Cap shall be $675,000. The Initial Lender waives any Default or Event of Default that has or may have occurred or would otherwise arise

solely as a result thereof. Notwithstanding the amendments set forth herein, the Borrower shall immediately recommence (or cause to be recommenced) compliance with the Excluded Subsidiary Cash Cap Requirement as in effect prior to this Amendment and related provisions under the Credit Agreement at all times after December 31, 2023 (or such later date agreed to by the Administrative Agent in its sole discretion).

3. **Amendments to Section 1.1**.

(a) Section 1.1 of the Credit Agreement is hereby amended by inserting the following new defined terms therein in the proper alphabetical order:

"First Amendment" means the Waiver and First Amendment to the Agreement, dated as of the First Amendment Effective Date, among the Borrower, the Lenders and the Administrative Agent.

"First Amendment Effective Date" means November 30, 2023.

(b) The definition of "Loan Documents" in Section 1.1 of the Credit Agreement is hereby amended by inserting "the First Amendment," immediately after the phrase "the Security Agreement,".

4. **Amendments to Section 7.16**. Section 7.16 of the Credit Agreement is hereby amended by (i) replacing the phrase "within 30 days of the Closing Date" in clause (e) thereof with the phrase "on or prior to December 4, 2023", (ii) replacing the phrase "within 45 days of the Closing Date" in clause (a) thereof with the phrase "on or prior to January 5, 2024", and (iii) inserting new clauses (h), (i) and (j) immediately after clause (g) thereof, as follows:

"(h) with respect to the Controlled Accounts constituting securities accounts existing as of the First Amendment Effective Date (the "Securities Accounts"), the Borrower will, concurrently with the dashboard delivered under Section 7.1(i), provide a statement certifying or evidence of correspondence with the securities intermediary of the Securities Accounts regarding its form of securities account control agreement and status updates, if any, on such securities intermediary's internal audit of such form control agreement with respect to the Securities Accounts (the updated form resulting from such internal audit, the "Updated SACA");

(i) within 180 days of the First Amendment Effective Date (or such later date agreed to by the Administrative Agent in its sole discretion), the Administrative Agent shall have received evidence that the Securities Accounts are subject to a Control Agreement in a form based on the Updated SACA and subject to such modifications as the Administrative Agent and such securities intermediary shall agree, and which Control Agreement shall be in form and substance reasonably acceptable to the Administrative Agent; and

(j) until the covenant in Section 7.16(i) is satisfied, the Borrower and its Subsidiaries shall comply with the Borrower's investment policy as in effect on the First Amendment Effective Date and will continue to comply with such investment policy and will not amend such investment policy to allow use of margin in the Securities Accounts."

5. **Conditions to Effectiveness of Amendment**. This Amendment shall become effective upon receipt by the Initial Lender, the Administrative Agent and the Borrower of a counterpart signature of the other to this Amendment duly executed and delivered by each of the

Initial Lender, the Administrative Agent and the Borrower.

6. **Expenses**. The Borrower agrees to pay on demand all expenses of the Administrative Agent and the Lenders (including, without limitation, the fees and out-of-pocket expenses of Covington & Burling LLP, counsel to the Administrative Agent and the Lenders) incurred in connection with the negotiation, preparation, execution and delivery of this Amendment.

7. **Representations and Warranties**. The Borrower represents and warrants to the Lenders, as of the effective date of this Amendment, as follows:

(a) Until Section 7.16(i) of the Credit Agreement (as amended by this Amendment) is satisfied, the Borrower represents, warrants and confirms that it and its Subsidiaries have complied with the Borrower's investment policy as in effect on the date hereof, will continue to comply with such investment policy and will not amend such investment policy to allow use of margin in the Securities Accounts.

(b) After giving effect to this Amendment, the representations and warranties of the Borrower and the Subsidiaries contained in the Credit Agreement or any other Loan Document are true and correct in all material respects as of the date hereof (except (i) with respect to representations and warranties expressly made as of an earlier date, in which case such representations and warranties are true and correct in all material respects as of such earlier date and (ii) if any such representation or warranty contains any materiality qualifier, such representation or warranty is true and correct in all respects).

(c) After giving effect to this Amendment, no Default or Event of Default under the Credit Agreement has occurred and is continuing or would result from the effectiveness of this Amendment.

8. **No Implied Amendment or Waiver**. Except as expressly set forth in this Amendment, this Amendment shall not, by implication or otherwise, limit, impair, constitute a waiver of or otherwise affect any rights or remedies of the Administrative Agent and the Lenders under the Credit Agreement or the other Loan Documents, or alter, modify, amend or in any way affect any of the terms, obligations or covenants contained in the Credit Agreement or the other Loan Documents, all of which shall continue in full force and effect. Nothing in this Amendment shall be construed to imply any willingness on the part of the Administrative Agent or any Lender to agree to or grant any similar or future amendment, consent or waiver of any of the terms and conditions of the Credit Agreement or the other Loan Documents.

9. **Waiver and Release**. TO INDUCE THE ADMINISTRATIVE AGENT AND THE LENDERS TO AGREE TO THE TERMS OF THIS AMENDMENT, THE BORROWER AND ITS AFFILIATES (COLLECTIVELY, THE "**RELEASING PARTIES**") REPRESENT AND WARRANT THAT, AS OF THE DATE HEREOF, THERE ARE NO CLAIMS OR OFFSETS AGAINST, OR RIGHTS OF RECOUPMENT WITH RESPECT TO, OR DISPUTES OF, OR DEFENSES OR COUNTERCLAIMS TO, THEIR OBLIGATIONS UNDER THE LOAN DOCUMENTS, AND IN ACCORDANCE THEREWITH THE RELEASING PARTIES:

(a) WAIVE ANY AND ALL SUCH CLAIMS, OFFSETS, RIGHTS OF RECOUPMENT, DISPUTES, DEFENSES AND COUNTERCLAIMS, WHETHER KNOWN OR UNKNOWN, ARISING PRIOR TO THE DATE HEREOF.

(b) FOREVER RELEASE, RELIEVE, AND DISCHARGE THE ADMINISTRATIVE AGENT, THE LENDERS, THEIR AFFILIATES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS,

PARTNERS, PREDECESSORS, SUCCESSORS, ASSIGNS, ATTORNEYS, ACCOUNTANTS, AGENTS, EMPLOYEES, AND REPRESENTATIVES (COLLECTIVELY, THE "**RELEASED PARTIES**"), AND EACH OF THEM, FROM ANY AND ALL CLAIMS, LIABILITIES, DEMANDS, CAUSES OF ACTION, DEBTS, OBLIGATIONS, PROMISES, ACTS, AGREEMENTS, AND DAMAGES, OF WHATEVER KIND OR NATURE, WHETHER KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, CONTINGENT OR FIXED, LIQUIDATED OR UNLIQUIDATED, MATURED OR UNMATURED, WHETHER AT LAW OR IN EQUITY, WHICH THE RELEASING PARTIES EVER HAD, NOW HAVE, OR MAY, SHALL, OR CAN HEREAFTER HAVE, DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY BASED UPON, CONNECTED WITH, OR RELATED TO MATTERS, THINGS, ACTS, CONDUCT, AND/OR OMISSIONS AT ANY TIME FROM THE BEGINNING OF THE WORLD THROUGH AND INCLUDING THE DATE HEREOF, INCLUDING WITHOUT LIMITATION ANY AND ALL CLAIMS AGAINST THE RELEASED PARTIES ARISING UNDER OR RELATED TO ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREBY.

(c) IN CONNECTION WITH THE RELEASE CONTAINED HEREIN, ACKNOWLEDGE THAT THEY ARE AWARE THAT THEY MAY HEREAFTER DISCOVER CLAIMS PRESENTLY UNKNOWN OR UNSUSPECTED, OR FACTS IN ADDITION TO OR DIFFERENT FROM THOSE WHICH THEY KNOW OR BELIEVE TO BE TRUE, WITH RESPECT TO THE MATTERS RELEASED HEREIN. NEVERTHELESS, IT IS THE INTENTION OF THE RELEASING PARTIES, THROUGH THIS AMENDMENT AND WITH ADVICE OF COUNSEL, FULLY, FINALLY, AND FOREVER TO RELEASE ALL SUCH MATTERS, AND ALL CLAIMS RELATED THERETO, WHICH DO NOW EXIST, OR HERETOFORE HAVE EXISTED. IN FURTHERANCE OF SUCH INTENTION, THE RELEASES HEREIN GIVEN SHALL BE AND REMAIN IN EFFECT AS A FULL AND COMPLETE RELEASE OR WITHDRAWAL OF SUCH MATTERS NOTWITHSTANDING THE DISCOVERY OR EXISTENCE OF ANY SUCH ADDITIONAL OR DIFFERENT CLAIMS OR FACTS RELATED THERETO.

(d) COVENANT AND AGREE NOT TO BRING ANY CLAIM, ACTION, SUIT, OR PROCEEDING AGAINST THE RELEASED PARTIES, DIRECTLY OR INDIRECTLY, REGARDING OR RELATED IN ANY MANNER TO THE MATTERS RELEASED HEREBY, AND FURTHER COVENANT AND AGREE THAT THIS AMENDMENT IS A BAR TO ANY SUCH CLAIM, ACTION, SUIT, OR PROCEEDING.

(e) REPRESENT AND WARRANT TO THE RELEASED PARTIES THAT THEY HAVE NOT HERETOFORE ASSIGNED OR TRANSFERRED, OR PURPORTED TO ASSIGN OR TRANSFER, TO ANY PERSON OR ENTITY ANY CLAIMS OR OTHER MATTERS HEREIN RELEASED.

(f) ACKNOWLEDGE THAT THEY HAVE HAD THE BENEFIT OF INDEPENDENT LEGAL ADVICE WITH RESPECT TO THE ADVISABILITY OF ENTERING INTO THIS RELEASE AND HEREBY KNOWINGLY, AND UPON SUCH ADVICE OF COUNSEL, WAIVE ANY AND ALL APPLICABLE RIGHTS AND BENEFITS UNDER, AND PROTECTIONS OF, CALIFORNIA CIVIL CODE SECTION 1542, AND ANY AND ALL STATUTES AND DOCTRINES OF SIMILAR EFFECT. CALIFORNIA CIVIL CODE SECTION 1542 PROVIDES AS FOLLOWS:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her, would have materially affected his or her settlement with the debtor or released party.

10. **Counterparts; Governing Law**. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be an original and all of which shall constitute together but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by email (e.g., "pdf" or "tiff") or telecopy shall be effective as delivery of a manually executed counterpart of this Amendment. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

AVITA MEDICAL, INC.
as the Borrower

By: _ /s/ James Corbett
Name: James Corbett
Title: Chief Executive Officer

ORCO IV LLC
as Lender

By: OrbiMed Royalty & Credit Opportunities IV, LP,
its Sole Member

By: OrbiMed ROF IV LLC,
its General Partner

By: OrbiMed Advisors LLC,
its Managing Member

By: /s/ Matthew Rizzo
Name: Matthew Rizzo
Title: Member

ACKNOWLEDGED BY:

ORCO IV LLC
as the Administrative Agent

By: OrbiMed Royalty & Credit Opportunities IV, LP,
its Sole Member

By: OrbiMed ROF IV LLC,
its General Partner

By: OrbiMed Advisors LLC,
its Managing Member

By: /s/ Matthew Rizzo
Name: Matthew Rizzo
Title: Member

Execution Version

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT, dated as of 11 December, 2023 (this "Agreement"), is made by AVITA MEDICAL PTY LIMITED ACN 058 466 523, an Australian proprietary company limited by shares (the "Grantor"), in favor of ORCO IV LLC, a Delaware limited liability company (together with its Affiliates, successors, transferees and assignees, the "Administrative Agent"), as Administrative Agent for the Secured Parties.

W I T N E S S E T H :

WHEREAS, pursuant to the Credit Agreement, dated as of October 18, 2023 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among AVITA Medical, Inc. (the "Borrower"), the Lenders party thereto and the Administrative Agent, the Lenders have extended Commitments to make Loans to the Borrower;

WHEREAS, in connection with the Credit Agreement, the Grantor and its Affiliates have executed and delivered a Pledge and Security Agreement in favor of the Administrative Agent, for the benefit of the Secured Parties, dated as of October 18, 2023 (as amended, supplemented or otherwise modified from time to time, the "Security Agreement");

WHEREAS, pursuant to the Credit Agreement and pursuant to clause (e) of Section 4.5 of the Security Agreement, the Grantor is required to execute and deliver this Agreement and to grant to the Administrative Agent, for the benefit of the Secured Parties, a continuing security interest in all of the Trademark Collateral to secure all of the Obligations; and

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees, for the benefit of the Secured Parties, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided (or incorporated by reference) in the Security Agreement.

SECTION 2. Grant of Security Interest. The Grantor hereby grants to the Administrative Agent, for the benefit of the Secured Parties, a continuing security interest in all of Grantor's right, title and interest in and to the Trademark Collateral, including those Trademarks referred to in Item A of Schedule I hereto and each Trademark license referred to in Item B of Schedule I hereto.

Notwithstanding anything to the contrary, the Trademark Collateral does not include (a) Trademark applications filed in the United States Patent and Trademark Office on the basis of such Grantor's "intent to use" of such Trademark, unless and until acceptable evidence of use of the Trademark has been filed with the United States Patent and Trademark Office pursuant to Section 1(c) or Section 1(d) of the Lanham Act (15 U.S.C. 1051, et seq.), to the extent that granting a Lien in such Trademark application prior to such filing would adversely affect the enforceability or validity of such Trademark application or (b) other Excluded Property.

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the

Grantor for the purpose of registering the security interest of the Administrative Agent in the Trademark Collateral with the United States Patent and Trademark Office. The security interest granted hereby has been granted in furtherance of, and not in limitation of, the security interest granted to the Administrative Agent for its benefit under the Security Agreement. The Security Agreement (and all rights and remedies of the Administrative Agent thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Liens. Upon (a) the sale of Trademark Collateral to Persons who are not the Borrower or any Subsidiary thereof in accordance with the Credit Agreement or (b) the occurrence of the Termination Date, the security interests granted herein shall automatically terminate with respect to (i) such Trademark Collateral (in the case of clause (a)) or (ii) all Trademark Collateral (in the case of clause (b)). Upon any such sale or termination, the Administrative Agent will, at the Grantor's sole expense, deliver to the Grantor, without any representations, warranties or recourse of any kind whatsoever, all such Trademark Collateral held by the Administrative Agent hereunder, and execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

SECTION 5. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Administrative Agent with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Loan Document. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including Article X thereof.

SECTION 7. Effectiveness. (a) This Agreement shall become effective when a counterpart hereof executed by the Grantor shall have been received by the Administrative Agent.
(b) This document may be executed in any number of counterparts or copies, each of which may be executed by physical signature in wet ink or electronically (whether in whole or part). A party who has executed a counterpart of this document may exchange it with another party (the "Recipient") by: (i) emailing a copy of the executed counterpart to the Recipient; or (ii) utilizing an electronic platform (including DocuSign) to circulate the executed counterpart, and will be taken to have adequately identified themselves by so emailing the copy to the Recipient or utilizing the electronic platform. (c) Each party consents to signatories and parties executing this document by electronic means and to identifying themselves in the manner specified in this clause. (d) Each counterpart constitutes an original (whether kept in electronic or paper form), all of which together constitute one instrument as if the signatures (or other execution markings) on the counterparts or copies were on a single physical copy of this document in paper form. Without limiting the foregoing, if any of the signatures or other markings on behalf of one party are on different counterparts or copies of this document, this shall be taken to be, and have the same effect as, signatures on the same counterpart and on a single copy of this document.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Grantor hereto has caused this Agreement to be duly executed and delivered by its Authorized Officer as of the date first above written.

Grantor

Executed as a deed by **AVITA MEDICAL PTY LIMITED ACN 058 466 523** in accordance with Section 127 of the *Corporations Act 2001* (Cth)

/s/ Lou Panaccio	/s/ Suzanne Mary Crowe
Signature of director	Signature of director/company secretary
Lou Panaccio	Suzanne Mary Crowe
Name of director (print)	Name of director/company secretary (print)

SCHEDULE I
to Trademark Security Agreement

Item A. Trademarks

Trademark	**Appl. #**	**Reg. #**	**Status**	**Coutry**	**Appl. Date**	**Reg. Date**	**Int'l Class**	**Owner**
RECELL	2575728	2103006	Registered	Argentina	Mar 8, 2005	Aug 4, 2006	010	AVITA Medical Pty Ltd[1]
AVITA LOGO	1258199 (IR number)	1710701	Registered	Australia	May 13, 2015	Oct 28, 2015	005, 010	AVITA Medical Pty Ltd
RECELL	1265045 (IR number)	1722240	Registered	Australia	May 13, 2015	Nov 2, 2016	005, 010	AVITA Medical Pty Ltd
REGENERCELL		1722242 (Now a National Registration, Transformed from IR 1265047)	Registered	Australia	May 13, 2015	Jun 21, 2017	005	AVITA Medical Pty Ltd
RENOVACELL		1722241 (Now a National Registration, Transformed from IR 1265046)	Registered	Australia	May 13, 2015	Jan 10, 2017	005, 010	AVITA Medical Pty Ltd
RES	1284000 (IR number)	1747552	Registered	Australia	Oct 8, 2015	Jan 10, 2018	005	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	Benelux	May 13, 2015	May 19, 2016	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	Benelux	May 13, 2015	Nov 4, 2016	005, 010	AVITA Medical Pty Ltd

[1] Owner identified as AVITA Medical Pty Ltd in this schedule refers either to AVITA Medical Pty Ltd or AVITA Medical Ltd. On October 1, 2020, AVITA Medical Ltd converted to a proprietary company and changed its name to AVITA Medical PTY Limited.

REGENERATIVE EPITHELIAL SUSPENSION	1284165	1284165	Registered	Benelux	Oct 8, 2015	Aug 16, 2016	003, 005	AVITA Medical Pty Ltd
REGENERCELL	1265047	1419798	Registered	Benelux	May 13, 2015	Sept. 17, 2020	005, 010	AVITA Medical Pty Ltd
RENOVACELL	1265046	1419800	Registered	Benelux	May 13, 2015	Sept. 17, 2020	005, 010	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Benelux	Oct 8, 2015	Aug 16, 2016	003, 005	AVITA Medical Pty Ltd
AVITA LOGO	909371300	909371300	Registered	Brazil	May 13, 2019	Oct 17, 2017	005	AVITA Medical Pty Ltd
AVITA LOGO	909371407	909371407	Registered	Brazil	May 13, 2015	Oct 17, 2017	010	AVITA Medical Pty Ltd
RECELL	827197926	827197926	Registered	Brazil	Mar 7, 2005	Nov 13, 2007	010	AVITA Medical Pty Ltd
RECELL	909371482	909371482	Registered	Brazil	May 13, 2015	Oct 17, 2017	005	AVITA Medical Pty Ltd
RENOVACELL	909370567	909370567	Registered	Brazil	May 13, 2015	Oct 17, 2017	005	AVITA Medical Pty Ltd
RENOVACELL	909370753	909370753	Registered	Brazil	May 13, 2015	Oct 17, 2017	010	AVITA Medical Pty Ltd
RES	910105227	910105227	Registered	Brazil	Oct 8, 2015	Jun 19, 2018	003	AVITA Medical Pty Ltd
RES	910105294	910105294	Registered	Brazil	Oct 8, 2015	Nov 28, 2017	005	AVITA Medical Pty Ltd
REGENERATIVE EPITHELIAL SUSPENSION	910105146		Pending	Brazil	Oct 8, 2015		005	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	China	May 13, 2015	Nov 10, 2016	005	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	China	May 13, 2015	Jan 24, 2017	005, 010	AVITA Medical Pty Ltd

ReCell (stylized)	854939	854939	Registered	China	Jun 3, 2004	Aug 25, 2005	005, 010, 044	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	China	Oct 8, 2015	Jul 6, 2017	005	AVITA Medical Pty Ltd
RENOVACELL	1265046/47625110		Published	China	Jun 29, 2020		005, 010	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	Colombia	May 13, 2015	Jul 30, 2015	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	Colombia	May 13, 2015	Aug 23, 2018	005, 010	AVITA Medical Pty Ltd
REGENERATIVE EPITHELIAL SUSPENSION	1284165	1284165	Registered	Colombia	Oct 8, 2015	Sep 5, 2017	003, 005	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Colombia	Oct 8, 2015	Sep 27, 2018	003	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	Egypt	May 13, 2015	Jul 30, 2015	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	Egypt	May 13, 2015	Sep 17, 2015	005, 010	AVITA Medical Pty Ltd
REGENERATIVE EPITHELIAL SUSPENSION	1284165	1284165	Registered	Egypt	Oct 8, 2015	Jan 21, 2016	003, 005	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Egypt	Oct 8, 2015	Jan 21, 2016	003, 005	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	European Union	May 13, 2015	Jun 16, 2016	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	European Union	May 13, 2015	Jul 19, 2016	005, 010	AVITA Medical Pty Ltd
REGENERATIVE EPITHELIAL SUSPENSION	013919022	013919022	Registered	European Union	Apr 8, 2015	Sep 10, 2015	003, 005, 041	AVITA Medical Pty Ltd
REGENERCELL	1265047	018261233	Registered	European Union	Jun 24, 2020	Aug 25, 2020	005, 010	AVITA Medical Pty Ltd
RENOVACELL	1265046	018261234	Registered	European Union	Jun 24, 2020	Aug 25, 2020	005, 010	AVITA Medical Pty Ltd
RES	013920673	013920673	Registered	European Union	Apr 8, 2015	Apr 8, 2015	003, 005, 041	AVITA Medical Pty Ltd

SPRAY-ON SKIN	1072803	1072803	Registered	European Union	Mar 10, 2011	Mar 22, 2012	003, 005, 010	AVITA Medical Pty Ltd
AVITA LOGO	303407201	303407201	Registered	Hong Kong	May 13, 2015	Dec 14, 2015	005, 010	AVITA Medical Pty Ltd
RECELL	303407229	303407229	Registered	Hong Kong	May 13, 2015	May 13, 2015	005, 010	AVITA Medical Pty Ltd
REGENERCELL	303407238	303407238	Registered	Hong Kong	May 13, 2015	May 13, 2015	005, 010	AVITA Medical Pty Ltd
RENOVACELL	303407210	303407210	Registered	Hong Kong	May 13, 2015	May 13, 2015	010	AVITA Medical Pty Ltd
RES	303558385	303558385	Registered	Hong Kong	Oct 8, 2015	Oct 8, 2015	003, 005	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	India	May 13, 2015	Jan 12, 2017	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	India	May 13, 2015	Oct 21, 2019	005, 010	AVITA Medical Pty Ltd
RECELL	993211	993211	Registered	India	Feb 27, 2001	Feb 27, 2011	003	AVITA Medical Pty Ltd
RECELL	993212	993212	Registered	India	Feb 27, 2001	Feb 27, 2011	005	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	India	Oct 8, 2015	Oct 8, 2015	003, 005	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	Iran	May 13, 2015	Jul 30, 2015	005, 010	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Iran	Oct 8, 2015	Jan 21, 2016	003, 005	AVITA Medical Pty Ltd
RECELL	1265045		Pending	Iran	May 13, 2015		005, 010	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	Israel	May 13, 2015	Jun 7, 2018	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	Israel	May 13, 2015	May 4, 2017	005, 010	AVITA Medical Pty Ltd
REGENERCELL	1265047	328959	Registered	Israel	May 13, 2015	Jun 24, 2020	005, 010	AVITA Medical Pty Ltd

RENOVACELL	1265046	328960	Registered	Israel	May 13, 2015	Jun 24, 2020	005, 010	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Israel	Oct 8, 2015	Sep 4, 2017	003, 005	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	Japan	May 13, 2015	Aug 18, 2016	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	Japan	May 13, 2015	May 18, 2017	005, 010	AVITA Medical Pty Ltd
REGENERCELL	1265047	2020079285	Registered	Japan	Jun 26, 2020	May 13, 2015	005, 010	AVITA Medical Pty Ltd
RENOVACELL	1265046	2020079284	Registered	Japan	Jun 26, 2020	May 13, 2015	005, 010	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Japan	Oct 8, 2015	Jun 21, 2018	003, 005	AVITA Medical Pty Ltd
RECELL	706367 (706367T)	888621	Registered	Mexico	Mar 9, 2005	Jun 27, 2005	010	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	Oman	May 13, 2015	Jul 30, 2015	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	Oman	May 13, 2015	Sep 17, 2015	005, 010	AVITA Medical Pty Ltd
REGENERATIVE EPITHELIAL SUSPENSION	1284165	1284165	Registered	Oman	Oct 8, 2015	Jan 21, 2016	003, 005	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Oman	Oct 8, 2015	Dec 31, 2019	003, 005	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	Republic of Korea	May 13, 2015	Oct 13, 2016	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	Republic of Korea	May 13, 2015	Feb 23, 2017	005, 010	AVITA Medical Pty Ltd
ReCell (stylized)	854939	854939	Registered	Republic of Korea	Jun 3, 2004	Oct 10, 2006	010, 044	AVITA Medical Pty Ltd
REGENERCELL	1265047	4020200112897	Registered	Republic of Korea	Jul 1, 2020	May 13, 2015	005, 010	AVITA Medical Pty Ltd

RENOVACELL	1265046	4020200127627	Registered	Republic of Korea	Jul 22, 2020	May 13, 2015	005, 010	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Republic of Korea	Oct 8, 2015	May 10, 2018	005	AVITA Medical Pty Ltd
ReCell (stylized)	854939	854939	Registered	Singapore	Jun 3, 2004	Jul 13, 2006	005, 010, 044	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	Syrian Arab Republic	May 13, 2015	Jan 12, 2017	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	Syrian Arab Republic	May 13, 2015	Dec 15, 2016	005, 010	AVITA Medical Pty Ltd
REGENERATIVE EPITHELIAL SUSPENSION	1284165	1284165	Registered	Syrian Arab Republic	Oct 8, 2015	Jul 11, 2017	003, 005	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Syrian Arab Republic	Oct 8, 2015	Jul 11, 2017	003, 005	AVITA Medical Pty Ltd
AVITA LOGO	104026597	01888179	Registered	Taiwan R.O.C.	May 13, 2015	Dec 16, 2017	005, 010	AVITA Medical Pty Ltd
RECELL	104026598	1882092	Registered	Taiwan R.O.C.	May 13, 2015	Nov 16, 2017	005, 010	AVITA Medical Pty Ltd
RES		01888885	Registered	Taiwan R.O.C.	Oct 8, 2015	Jan 1, 2018	005	AVITA Medical Pty Ltd
AVITA LOGO	985783	191114045	Registered	Thailand	May 14, 2015	Aug 16, 2019	005	AVITA Medical Pty Ltd
AVITA LOGO	985784	191114073	Registered	Thailand	May 14, 2015	Aug 16, 2019	010	AVITA Medical Pty Ltd
RECELL	985786	191111618	Registered	Thailand	May 14, 2015	Jul 19, 2019	010	AVITA Medical Pty Ltd
REGENERCELL	985779	191113559	Registered	Thailand	May 14, 2015	Aug 9, 2019	005	AVITA Medical Pty Ltd
REGENERCELL	985780	191113564	Registered	Thailand	May 14, 2015	Aug 9, 2019	010	AVITA Medical Pty Ltd

RENOVACELL	985781	191113555	Registered	Thailand	May 14, 2015	Aug 9, 2019	005	AVITA Medical Pty Ltd
RENOVACELL	985782	191114048	Registered	Thailand	May 14, 2015	Aug 16, 2019	010	AVITA Medical Pty Ltd
RES	1008348	181100952	Registered	Thailand	Oct 8, 2015	Jan 12, 2018	005	AVITA Medical Pty Ltd
RECELL	985785		Published	Thailand	May 13, 2015		005	AVITA Medical Pty Ltd
RES	1008347	231111839	Registered	Thailand	Oct 8, 2015	April 25, 2023 _	003	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	Turkey	May 13, 2015	Jan 21, 2016	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	Turkey	May 13, 2015	Oct 26, 2017	005, 010	AVITA Medical Pty Ltd
ReCell (stylized)	854939	854939	Registered	Turkey	Jun 3, 2004	Feb 10, 2020	005, 010, 044	AVITA Medical Pty Ltd
REGENERCELL	1265047	201581059	Registered	Turkey	May 13, 2015	Jun 30, 2020	005, 010	AVITA Medical Pty Ltd
RENOVACELL	1265046	201581057	Registered	Turkey	May 13, 2015	Jun 30, 2020	005, 010	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Turkey	Oct 8, 2015	Dec 31, 2016	003, 005	AVITA Medical Pty Ltd
AVITA LOGO	1258199	UK008125819 9	Registered	United Kingdom	May 13, 2015	Jun 16, 2016	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	UK008126504 5	Registered	United Kingdom	May 13, 2015	Jul 19, 2016	005, 010	AVITA Medical Pty Ltd
REGENERATIVE EPITHELIAL SUSPENSION	013919022	UK009013919 022	Registered	United Kingdom	Apr 8, 2015	Sep 10, 2015	003, 005, 041	AVITA Medical Pty Ltd
REGENERCELL	1265047	UK009018261 233	Registered	United Kingdom	Jun 24, 2020	Aug 25, 2020	005, 010	AVITA Medical Pty Ltd
RENOVACELL	1265046	UK009018261 234	Registered	United Kingdom	Jun 24, 2020	Aug 25, 2020	005, 010	AVITA Medical Pty Ltd
RES	013920673	UK009013920 673	Registered	United Kingdom	Apr 8, 2015	Apr 8, 2015	003, 005, 041	AVITA Medical Pty Ltd

SPRAY-ON SKIN	1072803	UK008107280 3	Registered	United Kingdom	Mar 10, 2011	Mar 22, 2012	003, 005, 010	AVITA Medical Pty Ltd
RECELL LOGO	86453769	5703468	Registered	United States of America	Nov 13, 2014	Mar 19, 2019	005, 010, 041, 044	AVITA Medical Pty Ltd
RECELL	86456218	5703469	Registered	United States of America	Nov 17, 2014	Mar 19, 2019	005, 010, 041, 044	AVITA Medical Pty Ltd
RES	1284000	5225178	Registered	United States of America	Oct 8, 2015	Jun 20, 2017	005	AVITA Medical Pty Ltd
SPRAY-ON SKIN	88000377	-	Abandon ed	United States of America	June 14, 2018	-	005	AVITA Medical Pty Ltd
RENOVACEL L	86453832	-	Abandon ed	United States of America	December 22 , 2015	-	010	AVITA Medical Pty Ltd
REGENERCE LL	86452818	-	Abandon ed	United States of America	November 13 , 2014	-	005, 010, 041, 044	AVITA Medical Pty Ltd
SPRAY SKIN	86270016	-	Abandon ed	United States of America	May 2, 2014	-	003, 005, 010	AVITA Medical Pty Ltd
SPRAY-ON SKIN	85127139	4072126	Cancelled	United States of America	September 10 , 2010	Dec. 13, 2011	003, 005, 010	AVITA Medical Pty Ltd
REGENERATI VE EPITHELIAL SUSPENSION	79180907	-	Abandon ed	United States of America	Oct. 8, 2015	-	003, 005	AVITA Medical Pty Ltd

Item B. Trademark Licenses

None

Exhibit 10.36

Execution Version

SUPPLEMENT TO
GUARANTEE

This SUPPLEMENT, dated as of 11 December, 2023 (this "Supplement"), is to the Guarantee, dated as of October 18, 2023 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Guarantee"), by the Guarantors (such term, and other terms used in this Supplement, to have the meanings set forth in Article I of the Guarantee, unless otherwise defined herein or if the context otherwise requires) from time to time party thereto, in favor of ORCO IV LLC, a Delaware limited liability company (together with its Affiliates, successors, transferees and assignees, the "Administrative Agent"), as Administrative Agent for the Lenders.

W I T N E S S E T H:

WHEREAS, pursuant to a Credit Agreement, dated as of October 18, 2023 (as amended, supplemented, or otherwise modified from time to time, the "Credit Agreement"), by and among AVITA MEDICAL, INC., a Delaware corporation (the "Borrower"), the Lenders party thereto and the Administrative Agent, the Lenders have extended Commitments to make the Loans to the Borrower; and

WHEREAS, pursuant to the provisions of Section 5.5 of the Guarantee, the undersigned is becoming a Guarantor under the Guarantee; and

WHEREAS, the undersigned desires to become a "Guarantor" under the Guarantee in order to induce the Lenders to continue to extend the Loans under the Credit Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees, for the benefit of the Secured Parties, as follows.

SECTION 1. Party to Guarantee, Etc. In accordance with the terms of the Guarantee, by its signature below, the undersigned hereby irrevocably agrees to become a Guarantor under the Guarantee with the same force and effect as if it were an original signatory thereto and the undersigned hereby (a) agrees to be bound by and comply with all of the terms and provisions of the Guarantee applicable to it as a Guarantor and (b) represents and warrants that the representations and warranties made by it as a Guarantor thereunder are true and correct as of the date hereof, unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date. In furtherance of the foregoing, each reference to a "Guarantor" or "Guarantors" in the Guarantee shall be deemed to include the undersigned.

SECTION 2. Representations. The undersigned Guarantor hereby represents and warrants that this Supplement has been duly authorized, executed and delivered by it and that this Supplement and the Guarantee constitute its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. Full Force of Guarantee. Except as expressly supplemented hereby, the Guarantee shall remain in full force and effect in accordance with its terms.

SECTION 4. Severability. Wherever possible each provision of this Supplement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Supplement shall be prohibited by or invalid under such Law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Supplement or the Guarantee.

SECTION 5. Governing Law, Entire Agreement, Etc. THIS SUPPLEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS SUPPLEMENT OR ANY DOCUMENT CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5 1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK). This Supplement, along with the other Loan Documents, constitutes the entire understanding among the parties hereto with respect to the subject matter thereof and supersedes any prior agreements, written or oral, with respect thereto.

SECTION 6. Effectiveness. (a) This Supplement shall become effective with respect to a Guarantor when a counterpart hereof executed by such undersigned Guarantor shall have been received by the Administrative Agent. (b) This Supplement may be executed in any number of counterparts or copies, each of which may be executed by physical signature in wet ink or electronically (whether in whole or part). A party who has executed a counterpart of this Supplement may exchange it with another party (the "Recipient") by: (i) emailing a copy of the executed counterpart to the Recipient; or (ii) utilizing an electronic platform (including DocuSign) to circulate the executed counterpart, and will be taken to have adequately identified themselves by so emailing the copy to the Recipient or utilizing the electronic platform. (c) Each party consents to signatories and parties executing this Supplement by electronic means and to identifying themselves in the manner specified in this clause. (d) Each counterpart constitutes an original (whether kept in electronic or paper form), all of which together constitute one instrument as if the signatures (or other execution markings) on the counterparts or copies were on a single physical copy of this Supplement in paper form. Without limiting the foregoing, if any of the signatures or other markings on behalf of one party are on different counterparts or copies of this Supplement, this shall be taken to be, and have the same effect as, signatures on the same counterpart and on a single copy of this Supplement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the party hereto has caused this Supplement to be duly executed and delivered by its Authorized Officer as of the date first above written.

Guarantor

Executed as a deed by **AVITA MEDICAL PTY LIMITED ACN 058 466 523** in accordance with Section 127 of the *Corporations Act 2001* (Cth)

/s/ Lou Panaccio	/s/ Suzanne Mary Crowe
Signature of director	Signature of director/company secretary
Lou Panaccio	Suzanne Mary Crowe
Name of director (print)	Name of director/company secretary (print)

Exhibit 10.37

Execution Version

PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT, dated as of 11 December, 2023 (this "Agreement"), is made by AVITA MEDICAL PTY LIMITED ACN 058 466 523 , an Australian proprietary company limited by shares (the "Grantor"), in favor of ORCO IV LLC, a Delaware limited liability company (together with its Affiliates, successors, transferees and assignees, the "Administrative Agent"), as Administrative Agent for the Secured Parties.

W I T N E S S E T H :

WHEREAS, pursuant to the Credit Agreement, dated as of October 18, 2023 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among AVITA Medical, Inc. (the "Borrower"), the Lenders party thereto and the Administrative Agent, the Lenders have extended Commitments to make Loans to the Borrower;

WHEREAS, in connection with the Credit Agreement, the Grantor and its Affiliates have executed and delivered a Pledge and Security Agreement in favor of the Administrative Agent, for the benefit of the Secured Parties, dated as of October 18, 2023 (as amended, supplemented or otherwise modified from time to time, the "Security Agreement");

WHEREAS, pursuant to the Credit Agreement and pursuant to clause (e) of Section 4.5 of the Security Agreement, the Grantor is required to execute and deliver this Agreement and to grant to the Administrative Agent, for the benefit of the Secured Parties, a continuing security interest in all of the Patent Collateral to secure all of the Obligations; and

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees, for the benefit of the Secured Parties, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided (or incorporated by reference) in the Security Agreement.

SECTION 2. Grant of Security Interest. The Grantor hereby grants to the Administrative Agent, for the benefit of the Secured Parties, a continuing security interest in all of the Grantor's right, title and interest in and to the Patent Collateral, including each patent and patent application referred to in Item A of Schedule I attached hereto and each patent license referred to in Item B of Schedules 1 attached hereto. Notwithstanding anything to the contrary, the Patent Collateral does not include Excluded Property.

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Administrative Agent in the Patent Collateral with the United States Patent and Trademark Office. The security interest granted hereby has been granted in furtherance of, and not in limitation of, the security interest granted to the Administrative Agent for its benefit under the Security Agreement. The Security Agreement (and all rights and remedies of the Administrative Agent thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Liens. Upon (a) the sale of Patent Collateral to Persons who are not the Borrower or any Subsidiary thereof in accordance with the Credit Agreement or (b) the occurrence of the Termination Date, the security interests granted herein shall automatically terminate with respect to (i) such Patent Collateral (in the case of clause (a)) or (ii) all Patent Collateral (in the case of clause (b)). Upon any such sale or termination, the Administrative Agent will, at the Grantor's sole expense, deliver to the Grantor, without any representations, warranties or recourse of any kind whatsoever, all such Patent Collateral held by the Administrative Agent hereunder, and execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

SECTION 5. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Administrative Agent with respect to the security interest in the Patent Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Loan Document. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including Article X thereof.

SECTION 7. Effectiveness. (a) This Agreement shall become effective when a counterpart hereof executed by the Grantor shall have been received by the Administrative Agent.
(b) This document may be executed in any number of counterparts or copies, each of which may be executed by physical signature in wet ink or electronically (whether in whole or part). A party who has executed a counterpart of this document may exchange it with another party (the "Recipient") by: (i) emailing a copy of the executed counterpart to the Recipient; or (ii) utilizing an electronic platform (including DocuSign) to circulate the executed counterpart, and will be taken to have adequately identified themselves by so emailing the copy to the Recipient or utilizing the electronic platform. (c) Each party consents to signatories and parties executing this document by electronic means and to identifying themselves in the manner specified in this clause. (d) Each counterpart constitutes an original (whether kept in electronic or paper form), all of which together constitute one instrument as if the signatures (or other execution markings) on the counterparts or copies were on a single physical copy of this document in paper form. Without limiting the foregoing, if any of the signatures or other markings on behalf of one party are on different counterparts or copies of this document, this shall be taken to be, and have the same effect as, signatures on the same counterpart and on a single copy of this document.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Grantor hereto has caused this Agreement to be duly executed and delivered by its Authorized Officer as of the date first above written.

Grantor

Executed as a deed by **AVITA MEDICAL PTY LIMITED ACN 058 466 523** in accordance with Section 127 of the *Corporations Act 2001* (Cth)

/s/ Lou Panaccio	/s/ Suzanne Mary Crowe
Signature of director	Signature of director/company secretary
Lou Panaccio	Suzanne Mary Crowe
Name of director (print)	Name of director/company secretary (print)

SCHEDULE I
to Patent Security Agreement

Item A. Patents

Title	Pub. No.	App. No.	Filing Date	Country	Status	Patent No.	Issue Date	Anticipated Expiration	Assignee
CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	US20110150848A1	13/036,569	2/28/2011	United States of America	Granted	9029140	5/12/2015	4/9/2024	AVITA Medical Pty Ltd[1]
CELL SUSPENSION AND USE THEREOF	AU2013202587A1	2013202587	3/14/2013	Australia	Granted	AU2013202587B2	11/26/2015	3/14/2033	AVITA Medical Pty Ltd
MÉTODO PARA PREPARAR CÉLULAS PARA USO COSMÉTICO EM UM PROCEDIMENTO RELACIONADO AO EPITÉLIO (METHOD FOR PREPARING CELLSFOR COSMETIC USE IN A PROCEDURE RELATED TO THE EPITHELIUM)	BR112014023272A2	BR112014023272725	3/14/2013	Brazil	Granted	BR112014023272B1	6/7/2022	3/14/2033	AVITA Medical Pty Ltd
Method for Preparing Cell Suspension Comprising Undifferentiated/ Progenitor Cells and/or Differentiated Cells	CA2874091A1	CA2874091	3/14/2013	Canada	Granted	CA2874091	9/26/2023	3/14/2033	AVITA Medical Pty Ltd

[1] Assignee identified as AVITA Medical Pty Ltd in this schedule refers either to AVITA Medical Pty Ltd or AVITA Medical Ltd. On October 1, 2020, AVITA Medical Ltd converted to a proprietary company and changed its name to AVITA Medical PTY Limited.

□胞□液及其用途 (CELL SUSPENSIONS AND THEIR USES)	CN104685049A	CN201380024737	3/14/2013	China	Pending			3/14/2033	AVITA Medical Pty Ltd
CELL SUSPENSION AND USE THEREOF	EP2828378A1	EP2013764726	3/14/2013	Germany	Granted	EP2828378B1	2/17/2021	3/14/2033	AVITA Medical Pty Ltd
CELL SUSPENSION AND USE THEREOF	ES2864772T3	EP2013764726	3/14/2013	Spain	Granted	ES2864772T3	2/17/2021	3/14/2033	AVITA Medical Pty Ltd
CELL SUSPENSION AND USE THEREOF	EP2828378A1	EP2013764726	3/14/2013	France	Granted	EP2828378B1	2/17/2021	3/14/2033	AVITA Medical Pty Ltd
CELL SUSPENSION AND USE THEREOF	EP2828378A1	EP2013764726	3/14/2013	United Kingdom	Granted	EP2828378B1	2/17/2021	3/14/2033	AVITA Medical Pty Ltd
細胞懸液及其用途 (CELL SUSPENSIONS AND THEIR USES)	HK1207662A	HK15108195	3/14/2013	Hong Kong	Pending			3/14/2033	AVITA Medical Pty Ltd
CELL SUSPENSION AND USE THEREOF	EP2828378A1	EP2013764726	3/14/2013	Italy	Granted	EP2828378B1	2/17/2021	3/14/2033	AVITA Medical Pty Ltd
CELL SUSPENSION AND USE THEREOF	EP3896152A1	EP2021156318	3/14/2013	European Patent Office	Pending			3/14/2033	AVITA Medical Pty Ltd
CELL SUSPENSION AND USE THEREOF	US20200093951A1	16/592,108	10/3/2019	United States of America	Pending			3/14/2033	AVITA Medical Pty Ltd
CELL SUSPENSION AND USE THEREOF	US20200093952A1	16/592,117	10/3/2019	United States of America	Pending			3/14/2033	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	AU2013205148A1	2013205148	4/13/2013	Australia	Granted	AU2013205148B2	2/12/2015	4/13/2033	AVITA Medical Pty Ltd

SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	CA2906088A1	CA2906088	3/14/2014	Canada	Pending			3/14/2034	AVITA Medical Pty Ltd
用于□□□理以及由其制□□胞□液的系□和方法 (SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSIONs THEREFROM)	CN105189729A	CN201480025699.5	3/14/2014	China	Granted	CN105189729B	1/10/2020	3/14/2034	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	EP2970856A1	EP2014770177	3/14/2014	Germany	Granted	EP2970856B1	11/13/2019	3/14/2034	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	ES2759063T3	ES2014770177T	3/14/2014	Spain	Granted	ES2759063T3	11/13/2019	3/14/2034	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	EP2970856A1	EP2014770177	3/14/2014	France	Granted	EP2970856B1	11/13/2019	3/14/2034	AVITA Medical Pty Ltd

SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	EP2970856A1	EP2014770177	3/14/2014	United Kingdom	Granted	EP2970856B1	11/13/2019	3/14/2034	AVITA Medical Pty Ltd
用於組織處理以及由其製備細胞懸液的系統和方法 (SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM)	HK1219291A	HK16107310	6/23/2016	Hong Kong	Granted	HK1219291	1/29/2021	3/14/2034	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	EP2970856A1	EP2014770177	3/14/2014	Italy	Granted	EP2970856B1	11/13/2019	3/14/2034	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	JP2016512689A	JP2016-502942	3/14/2014	Japan	Granted	JP6479757B2	2/15/2019	3/14/2034	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	US20160024450A1	14/776,038	3/14/2014	United States of America	Granted	US10626358B2	4/21/2020	3/14/2034	AVITA Medical Pty Ltd

SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	CN111304081A	CN201911343417.7	3/14/2014	China	Pending			3/14/2034	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	EP3674396A1	EP2019208169	3/14/2014	European Patent Office	Pending			3/14/2034	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	HK40032292A	HK42002021909	6/23/2016	Hong Kong	Pending			3/14/2034	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	US20200208086A1	16/787,882	2/11/2020	United States of America	Granted	US11124752B2	9/21/2021	3/14/2034	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM		18/370,842	9/20/2023	United States of America	Pending Reissue Application			3/14/2034	AVITA Medical Pty Ltd
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	AT510548T	AT2002709917T	2/7/2002	Austria	Expired	AT510548T	05/25/2011	2/7/2022	AVITA Medical Pty. Ltd.

CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	AU2002222780 2A1	AU2002222780 2	2/7/2002	Australia	Expired	AU2002227802B2	03/05/2007	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	BRPI0206692 A2	BRPI0206692	2/7/2002	Brazil	Expired	BRPI0206692B1	06/19/2018	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	DE60240127T2	DE60240127	2/7/2002	Germany	Expired	DE60240127T2	05/25/2011	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	1357922	1357922	2/7/2002	Spain	Expired	1357922	05/25/2011	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	1357922	027099175	02/07/2002	Belgium	Expired	1357922	05/25/2011	02/07/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	1357922	EP2002709917	2/7/2002	France	Expired	EP1357922	05/25/2011	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	1357922	EP2002709917	2/7/2002	United Kingdom	Expired	EP1357922	05/25/2011	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	HK1057713	4100628.6	2/7/2002	Hong Kong	Expired	HK1057713	40816	2/7/2022	AVITA Medical Pty. Ltd.

CELL SUSPENSION PREPARATION TECHNIQUE AND USE	1357922	EP02709917	2/7/2002	Italy	Expired	EP1357922	05/25/2011	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	2004-529872	2002-562365	2/7/2002	Japan	Expired	JP5214085	41341	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	1357922	EP02709917	2/7/2002	Netherlands	Expired	EP1357922	05/25/2011	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	PT1357922E	EP02709917	2/7/2002	Portugal	Expired	EP1357922	09/01/2011	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	1357922	EP02709917	2/7/2002	Sweden	Expired	EP1357922	05/25/2011	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	1357922	EP02709917	2/7/2002	Turkey	Expired	EP1357922	05/25/2011	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	AT717889T	AT2010184235T	2/7/2002	Austria	Expired	AT717889	03/25/2015	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	2343079	10184235.9	2/7/2002	Belgium	Expired	EP2343079	03/25/2015	2/7/2022	AVITA Medical Pty. Ltd.

CELL SUSPENSION PREPARATION DEVICE	DE602 47071	602470 71-4	2/7/2 002	Germany	Expired	DE60247 071T2	03/2 5/20 15	2/7/2 022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	234307 9	101842 35.9	2/7/2 002	Spain	Expired	EP23430 79	03/2 5/20 15	2/7/2 022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	234307 9	101842 35.9	2/7/2 002	France	Expired	EP23430 79	03/2 5/20 15	2/7/2 022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	234307 9	101842 35.9	2/7/2 002	United Kingdom	Expired	EP23430 79	03/2 5/20 15	2/7/2 022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	502015 000011 254	101842 35.9	2/7/2 002	Italy	Expired	EP23430 79	03/2 5/20 15	2/7/2 022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	234307 9	101842 35.9	2/7/2 002	Netherlands	Expired	EP23430 79	03/2 5/20 15	2/7/2 022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	PT1357 922E	PT2002 709917 T	2/7/2 002	Portugal	Expired	PT13579 22E	09/0 1/20 11	2/7/2 022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	234307 9	101842 35.9	2/7/2 002	Sweden	Expired	EP23430 79	03/2 5/20 15	2/7/2 022	AVITA Medical Pty. Ltd.

CELL SUSPENSION PREPARATION DEVICE	2343079	10184235.9	2/7/2002	Turkey	Expired	EP2343079	03/25/2015	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	DE60249971T2	DE60249971	2/7/2002	Germany	Expired	DE60249971T2	08/07/2019	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	2343079	15159890.1	2/7/2002	Spain	Expired	EP2957288	08/07/2019	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	2343079	15159890.1	2/7/2002	France	Expired	EP2957288	08/07/2019	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	2343079	15159890.1	2/7/2002	United Kingdom	Expired	EP2957288	08/07/2019	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	HK1212885A1	HK16100778	2/7/2002	Hong Kong	Expired	HK16100778	08/21/2020	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	2343079	15159890.1	2/7/2002	Italy	Expired	EP2957288	08/07/2019	2/7/2022	AVITA Medical Pty. Ltd.
METHOD FOR PREPARING CELL SUSPENSION, AND CELL SUSPENSION	JP2014193415A	JP2014134495	2/7/2002	Japan	Expired	JP6042377	11/18/2016	2/7/2022	AVITA Medical Pty. Ltd.

CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	US20110311497A1	13/223,577	9/1/2011	United States of America	Expired	9078741	07/14/2015	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	US20150182739A1	14/645,933	3/12/2015	United States of America	Expired	9867692	01/16/2018	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	US20180098840A1	15/838,429	12/12/2017	United States of America	Expired	10729536	8/4/2020	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	US20190307550A1	16/436,693	6/10/2019	United States of America	Expired	10729536	4/28/2020	2/7/2022	AVITA Medical Pty. Ltd.
METHOD FOR PREPARING CELL SUSPENSION, AND CELL SUSPENSION	JP2010269159A	JP2010-163176	2/7/2002	Japan	Withdrawn				AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	US20020106353A1	10/068,299	2/6/2002	United States of America	Abandoned				AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	US20010019634A1	12/699,554	2/3/2010	United States of America	Abandoned				AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	EP3632452A1	EP2019190195	2/7/2002	European Patent Office	Abandoned				AVITA Medical Pty. Ltd.

CELL SUSPENSION PREPARATION TECHNIQUE AND USE	HK40018126A	HK42020007498	2/7/2002	Hong Kong	Abandoned				AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	US20210169636A1	16/935,015	7/21/2020	United States of America	Abandoned				AVITA Medical Pty. Ltd.
CELL SUSPENSION AND USE THEREOF	US20150079153A1	14/386,519	3/14/2013	United States of America	Abandoned				AVITA Medical Ltd.
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	N/A	17/462,694	8/31/2021	United States of America	Abandoned				AVITA Medical Ltd.

Item B. Patent Licenses

None

Execution Version

SUPPLEMENT TO
PLEDGE AND SECURITY AGREEMENT

This SUPPLEMENT, dated as of 11 December, 2023 (this "Supplement"), is to the Pledge and Security Agreement, dated as of October 18, 2023 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Security Agreement"), among the Grantors (such term, and other terms used in this Supplement, to have the meanings set forth in Article I of the Security Agreement, unless otherwise defined herein or if the context otherwise requires) from time to time party thereto, in favor of ORCO IV, LLC, a Delaware limited liability company (together with its Affiliates, successors, transferees and assignees, the "Administrative Agent"), as Administrative Agent for the Secured Parties.

W I T N E S S E T H :

WHEREAS, pursuant to the Credit Agreement, dated as of October 18, 2023 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among AVITA MEDICAL, INC., a Delaware corporation (the "Borrower"), the Lenders party thereto and the Administrative Agent, the Lenders have extended Commitments to make Loans to the Borrower

WHEREAS, pursuant to the provisions of Section 7.6 of the Security Agreement, the undersigned is becoming a Grantor under the Security Agreement; and

WHEREAS, the undersigned desires to become a "Grantor" under the Security Agreement in order to induce the Lenders to continue to extend Loans under the Credit Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees, for the benefit of the Secured Parties, as follows.

SECTION 1. Party to Security Agreement, Etc. In accordance with the terms of the Security Agreement, by its signature below, the undersigned hereby irrevocably agrees to become a Grantor under the Security Agreement with the same force and effect as if it were an original signatory thereto and the undersigned hereby (a) agrees to be bound by and comply with all of the terms and provisions of the Security Agreement applicable to it as a Grantor and (b) represents and warrants that the representations and warranties made by it as a Grantor thereunder are true and correct as of the date hereof, unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date. In furtherance of the foregoing, each reference to a "Grantor" or "Grantors" in the Security Agreement shall be deemed to include the undersigned.

SECTION 2. Schedules. The undersigned hereby authorizes the Administrative Agent to add the information set forth on the Schedules to this Supplement to the correlative Schedules attached to the Security Agreement.

SECTION 3. Representations. The undersigned hereby represents and warrants that this Supplement has been duly authorized, executed and delivered by it and that this Supplement and

the Security Agreement constitute its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 4. Full Force of Security Agreement. Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect in accordance with its terms.

SECTION 5. Severability. Wherever possible each provision of this Supplement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Supplement shall be prohibited by or invalid under such Law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Supplement or the Security Agreement.

SECTION 6. Governing Law, Entire Agreement, Etc. THIS SUPPLEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS SUPPLEMENT OR ANY DOCUMENT CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK). This Supplement, along with the other Loan Documents, constitutes the entire understanding among the parties hereto with respect to the subject matter thereof and supersedes any prior agreements, written or oral, with respect thereto.

SECTION 7. Effectiveness. (a) This Supplement shall become effective with respect to a Grantor when a counterpart hereof executed by such Grantor shall have been received by the Administrative Agent. (b) This Supplement may be executed in any number of counterparts or copies, each of which may be executed by physical signature in wet ink or electronically (whether in whole or part). A party who has executed a counterpart of this Supplement may exchange it with another party (the "Recipient") by: (i) emailing a copy of the executed counterpart to the Recipient; or (ii) utilizing an electronic platform (including DocuSign) to circulate the executed counterpart, and will be taken to have adequately identified themselves by so emailing the copy to the Recipient or utilizing the electronic platform. (c) Each party consents to signatories and parties executing this Supplement by electronic means and to identifying themselves in the manner specified in this clause. (d) Each counterpart constitutes an original (whether kept in electronic or paper form), all of which together constitute one instrument as if the signatures (or other execution markings) on the counterparts or copies were on a single physical copy of this Supplement in paper form. Without limiting the foregoing, if any of the signatures or other markings on behalf of one party are on different counterparts or copies of this Supplement, this shall be taken to be, and have the same effect as, signatures on the same counterpart and on a single copy of this Supplement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the party hereto has caused this Supplement to be duly executed and delivered by its Authorized Officer as of the date first above written.

Grantor

Executed as a deed by **AVITA MEDICAL PTY LIMITED ACN 058 466 523** in accordance with Section 127 of the *Corporations Act 2001* (Cth)

/s/ Lou Panaccio	/s/ Suzanne Mary Crowe
Signature of director	Signature of director/company secretary
Lou Panaccio	Suzanne Mary Crowe
Name of director (print)	Name of director/company secretary (print)

SCHEDULE I
to Security Agreement

Subsidiary	Name of Grantor	Interest	Percentage
C3 Operations Pty Limited ACN 090 161 505	AVITA Medical Pty Limited ACN 058 466 523	78,509,954 Ordinary Shares	100%
Visiomed Group Pty Ltd ACN 003 010 580	AVITA Medical Pty Limited ACN 058 466 523	690,966,652 Ordinary Shares	100%
Avita Medical Europe Limited	AVITA Medical Pty Limited ACN 058 466 523	5,210, 772 Ordinary Shares	100%

SCHEDULE II
to Security Agreement

Item A. Location of each Grantor.

Name of Grantor:	Location for purposes of UCC:	Executive office / principal place of business:
AVITA Medical Pty Limited ACN 058 466 523	DC	Level 7, 330 Collins Street Melbourne VIC 3000 Australia

Item B. [Reserved].

Item C. Trade names.
None.

Item D. Merger or other corporate reorganization.

On October 1, 2020, AVITA Medical Ltd converted to a proprietary company and changed its name to AVITA Medical PTY Limited.

Item E. Grantor's federal taxpayer ID numbers.

Name of Grantor:	Taxpayer ID number:
AVITA Medical Pty Limited	82 047 065 / 28 058 466 523

Item F. Government Contracts.
None.

Item G. Deposit Accounts, Securities Accounts and Commodity Accounts.

Name of Grantor:	Description of Deposit Accounts, Securities Accounts and Commodity Accounts:
AVITA Medical Pty Limited	National Australian Bank; Operating (Account #: 55-151-1018)

Item H. Letter of Credit Rights.
None.

Item I. Commercial Tort Claims.
None.

Item J. Pledged Notes.

- Global Intercompany Note dated as of the Closing Date.

SCHEDULE III
to Security Agreement

Item A. Patents

Title	Pub. No.	App. No.	Filing Date	Country	Status	Patent No.	Issue Date	Anticipated Expiration	Assignee
CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	US20110150848A1	13/036,569	2/28/2011	United States of America	Granted	9029140	5/12/2015	4/9/2024	AVITA Medical Pty Ltd[1]
CELL SUSPENSION AND USE THEREOF	AU2013202587A1	2013202587	3/14/2013	Australia	Granted	AU2013202587B2	11/26/2015	3/14/2033	AVITA Medical Pty Ltd
MÉTODO PARA PREPARAR CÉLULAS PARA USO COSMÉTICO EM UM PROCEDIMENTO RELACIONADO AO EPITÉLIO (METHOD FOR PREPARING CELLSFOR COSMETIC USE IN A PROCEDURE RELATED TO	BR112014023272A2	BR112014023272725	3/14/2013	Brazil	Granted	BR112014023272B1	6/7/2022	3/14/2033	AVITA Medical Pty Ltd

[1] Assignee identified as AVITA Medical Pty Ltd in this schedule refers either to AVITA Medical Pty Ltd or AVITA Medical Ltd. On October 1, 2020, AVITA Medical Ltd converted to a proprietary company and changed its name to AVITA Medical PTY Limited.

THE EPITHELIUM)									
Method for Preparing Cell Suspension Comprising Undifferentiated/ Progenitor Cells and/or Differentiated Cells	CA2874091A1	CA2874091	3/14/2013	Canada	Granted	CA2874091	9/26/2023	3/14/2033	AVITA Medical Pty Ltd
□胞□液及其用途 (CELL SUSPENSIONS AND THEIR USES)	CN104685049A	CN201380024737	3/14/2013	China	Pending			3/14/2033	AVITA Medical Pty Ltd
CELL SUSPENSION AND USE THEREOF	EP2828378A1	EP2013764726	3/14/2013	Germany	Granted	EP2828378B1	2/17/2021	3/14/2033	AVITA Medical Pty Ltd
CELL SUSPENSION AND USE THEREOF	ES2864772T3	EP2013764726	3/14/2013	Spain	Granted	ES2864772T3	2/17/2021	3/14/2033	AVITA Medical Pty Ltd
CELL SUSPENSION AND USE THEREOF	EP2828378A1	EP2013764726	3/14/2013	France	Granted	EP2828378B1	2/17/2021	3/14/2033	AVITA Medical Pty Ltd

CELL SUSPENSION AND USE THEREOF	EP2828378A1	EP13764726	3/14/2013	United Kingdom	Granted	EP2828378B1	2/17/2021	3/14/2033	AVITA Medical Pty Ltd
細胞懸液及其用途 (CELL SUSPENSIONS AND THEIR USES)	HK1207662A	HK15108195	3/14/2013	Hong Kong	Pending			3/14/2033	AVITA Medical Pty Ltd
CELL SUSPENSION AND USE THEREOF	EP2828378A1	EP13764726	3/14/2013	Italy	Granted	EP2828378B1	2/17/2021	3/14/2033	AVITA Medical Pty Ltd
CELL SUSPENSION AND USE THEREOF	EP3896152A1	EP21156318	3/14/2013	European Patent Office	Pending			3/14/2033	AVITA Medical Pty Ltd
CELL SUSPENSION AND USE THEREOF	US20200093951A1	16/592,108	10/3/2019	United States of America	Pending			3/14/2033	AVITA Medical Pty Ltd
CELL SUSPENSION AND USE THEREOF	US20200093952A1	16/592,117	10/3/2019	United States of America	Pending			3/14/2033	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	AU2013205148A1	2013205148	4/13/2013	Australia	Granted	AU2013205148B2	2/12/2015	4/13/2033	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	CA2906088A1	CA2906088	3/14/2014	Canada	Pending			3/14/2034	AVITA Medical Pty Ltd

用于□□□理以及由其制□□胞□液的系□和方法 (SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSIONs THEREFROM)	CN105189729A	CN201480025699.5	3/14/2014	China	Granted	CN105189729B	1/10/2020	3/14/2034	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	EP2970856A1	EP2014770177	3/14/2014	Germany	Granted	EP2970856B1	11/13/2019	3/14/2034	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	ES2759063T3	ES2014770177T	3/14/2014	Spain	Granted	ES2759063T3	11/13/2019	3/14/2034	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	EP2970856A1	EP2014770177	3/14/2014	France	Granted	EP2970856B1	11/13/2019	3/14/2034	AVITA Medical Pty Ltd

SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	EP2970856A1	EP2014770177	3/14/2014	United Kingdom	Granted	EP2970856B1	11/13/2019	3/14/2034	AVITA Medical Pty Ltd
用於組織處理以及由其製備細胞懸液的系統和方法 (SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM)	HK1219291A	HK16107310	6/23/2016	Hong Kong	Granted	HK1219291	1/29/2021	3/14/2034	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	EP2970856A1	EP2014770177	3/14/2014	Italy	Granted	EP2970856B1	11/13/2019	3/14/2034	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	JP2016512689A	JP2016-502942	3/14/2014	Japan	Granted	JP6479757B2	2/15/2019	3/14/2034	AVITA Medical Pty Ltd

SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	US20160024450A1	14/776,038	3/14/2014	United States of America	Granted	US10626358B2	4/21/2020	3/14/2034	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	CN111304081A	CN201911343417.7	3/14/2014	China	Pending			3/14/2034	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	EP3674396A1	EP2019208169	3/14/2014	European Patent Office	Pending			3/14/2034	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	HK40032292A	HK42002021909	6/23/2016	Hong Kong	Pending			3/14/2034	AVITA Medical Pty Ltd
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	US20200208086A1	16/787,882	2/11/2020	United States of America	Granted	US11124752B2	9/21/2021	3/14/2034	AVITA Medical Pty Ltd

SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM		18/370,842	9/20/2023	United States of America	Pending Reissue Application			3/14/2034	AVITA Medical Pty Ltd
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	AT510548T	AT200270991 7T	2/7/2002	Austria	Expired	AT510548T	05/25/2011	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	AU2002227802A1	AU2002227802	2/7/2002	Australia	Expired	AU2002227802B2	03/05/2007	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	BRPI0206692A2	BRPI0206692	2/7/2002	Brazil	Expired	BRPI0206692B1	06/19/2018	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	DE60240127T2	DE60240127	2/7/2002	Germany	Expired	DE60240127T2	05/25/2011	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	1357922	1357922	2/7/2002	Spain	Expired	1357922	05/25/2011	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	1357922	027099175	02/07/2002	Belgium	Expired	1357922	05/25/2011	02/07/2022	AVITA Medical Pty. Ltd.

CELL SUSPENSION PREPARATION TECHNIQUE AND USE	1357922	EP02002709917	2/7/2002	France	Expired	EP1357922	05/25/2011	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	1357922	EP02002709917	2/7/2002	United Kingdom	Expired	EP1357922	05/25/2011	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	HK1057713	4100628.6	2/7/2002	Hong Kong	Expired	HK1057713	40816	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	1357922	EP02002709917	2/7/2002	Italy	Expired	EP1357922	05/25/2011	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	2004-529872	2002-562365	2/7/2002	Japan	Expired	JP5214085	41341	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	1357922	EP02002709917	2/7/2002	Netherlands	Expired	EP1357922	05/25/2011	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	PT1357922E	EP02002709917	2/7/2002	Portugal	Expired	EP1357922	09/01/2011	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	1357922	EP02002709917	2/7/2002	Sweden	Expired	EP1357922	05/25/2011	2/7/2022	AVITA Medical Pty. Ltd.

CELL SUSPENSION PREPARATION TECHNIQUE AND USE	1357922	EP2002709917	2/7/2002	Turkey	Expired	EP1357922	05/25/2011	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	AT717889T	AT2010184235T	2/7/2002	Austria	Expired	AT717889	03/25/2015	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	2343079	10184235.9	2/7/2002	Belgium	Expired	EP2343079	03/25/2015	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	DE60247071	60247071-4	2/7/2002	Germany	Expired	DE60247071T2	03/25/2015	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	2343079	10184235.9	2/7/2002	Spain	Expired	EP2343079	03/25/2015	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	2343079	10184235.9	2/7/2002	France	Expired	EP2343079	03/25/2015	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	2343079	10184235.9	2/7/2002	United Kingdom	Expired	EP2343079	03/25/2015	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	502015000011254	10184235.9	2/7/2002	Italy	Expired	EP2343079	03/25/2015	2/7/2022	AVITA Medical Pty. Ltd.

CELL SUSPENSION PREPARATION DEVICE	2343079	10184235.9	2/7/2002	Netherlands	Expired	EP2343079	03/25/2015	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	PT1357922E	PT2002709917T	2/7/2002	Portugal	Expired	PT1357922E	09/01/2011	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	2343079	10184235.9	2/7/2002	Sweden	Expired	EP2343079	03/25/2015	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	2343079	10184235.9	2/7/2002	Turkey	Expired	EP2343079	03/25/2015	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	DE60249971T2	DE602499971	2/7/2002	Germany	Expired	DE60249971T2	08/07/2019	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	2343079	15159890.1	2/7/2002	Spain	Expired	EP2957288	08/07/2019	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	2343079	15159890.1	2/7/2002	France	Expired	EP2957288	08/07/2019	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	2343079	15159890.1	2/7/2002	United Kingdom	Expired	EP2957288	08/07/2019	2/7/2022	AVITA Medical Pty. Ltd.

CELL SUSPENSION PREPARATION DEVICE	HK1212885A1	HK16100778	2/7/2002	Hong Kong	Expired	HK16100778	08/21/2020	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	2343079	15159890.1	2/7/2002	Italy	Expired	EP2957288	08/07/2019	2/7/2022	AVITA Medical Pty. Ltd.
METHOD FOR PREPARING CELL SUSPENSION, AND CELL SUSPENSION	JP2014193415A	JP2014134495	2/7/2002	Japan	Expired	JP6042377	11/18/2016	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	US20110311497A1	13/223,577	9/1/2011	United States of America	Expired	9078741	07/14/2015	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	US20150182739A1	14/645,933	3/12/2015	United States of America	Expired	9867692	01/16/2018	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	US20180098840A1	15/838,429	12/12/2017	United States of America	Expired	10729536	8/4/2020	2/7/2022	AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	US20190307550A1	16/436,693	6/10/2019	United States of America	Expired	10729536	4/28/2020	2/7/2022	AVITA Medical Pty. Ltd.
METHOD FOR PREPARING CELL SUSPENSION, AND CELL SUSPENSION	JP2010269159A	JP2010-163176	2/7/2002	Japan	Withdrawn				AVITA Medical Pty. Ltd.

CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	US20020106353A1	10/068,299	2/6/2002	United States of America	Abandoned				AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	US20100196334A1	12/699,554	2/3/2010	United States of America	Abandoned				AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION DEVICE	EP3632452A1	EP20191901950	2/7/2002	European Patent Office	Abandoned				AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND USE	HK40018126A	HK42020007498	2/7/2002	Hong Kong	Abandoned				AVITA Medical Pty. Ltd.
CELL SUSPENSION PREPARATION TECHNIQUE AND DEVICE	US20210169636A1	16/935,015	7/21/2020	United States of America	Abandoned				AVITA Medical Pty. Ltd.
CELL SUSPENSION AND USE THEREOF	US20150079153A1	14/386,519	3/14/2013	United States of America	Abandoned				AVITA Medical Ltd.
SYSTEMS AND METHODS FOR TISSUE PROCESSING AND PREPARATION OF CELL SUSPENSION THEREFROM	N/A	17/462,694	8/31/2021	United States of America	Abandoned				AVITA Medical Ltd.

Item B. Patent Licenses

None.

SCHEDULE IV
to Security Agreement

Item A. Trademarks

Trademark	Appl. #	Reg. #	Status	Countr y	Appl. Date	Reg. Date	Int'l Clas s	Owner
RECELL	2575728	2103006	Registered	Argentina	Mar 8, 2005	Aug 4, 2006	010	AVITA Medical Pty Ltd[2]
AVITA LOGO	1258199	1258199	Registered	Australia	May 13, 2015	Nov 12, 2015	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	Australia	May 13, 2015	Nov 4, 2016	005, 010	AVITA Medical Pty Ltd
REGENERCE LL		1722242 (Now a National Registration, Transformed from IR 1265047)	Registered	Australia	May 13, 2015	Jun 24, 2020	005	AVITA Medical Pty Ltd
RENOVACEL L		1722241 (Now a National Registration, Transformed from IR 1265046)	Registered	Australia	May 13, 2015	Jun 24, 2020	005, 010	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Australia	Oct 8, 2015	Jan 12, 2018	005	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	Benelux	May 13, 2015	May 19, 2016	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	Benelux	May 13, 2015	Nov 4, 2016	005, 010	AVITA Medical Pty Ltd
REGENERATI VE EPITHELIAL SUSPENSION	1284165	1284165	Registered	Benelux	Oct 8, 2015	Aug 16, 2016	003, 005	AVITA Medical Pty Ltd

[2] Owner identified as AVITA Medical Pty Ltd in this schedule refers either to AVITA Medical Pty Ltd or AVITA Medical Ltd. On October 1, 2020, AVITA Medical Ltd converted to a proprietary company and changed its name to AVITA Medical PTY Limited.

REGENERCELL	1265047	1419798	Registered	Benelux	May 13, 2015	Sept. 17, 2020	005, 010	AVITA Medical Pty Ltd
RENOVACELL	1265046	1419800	Registered	Benelux	May 13, 2015	Sept. 17, 2020	005, 010	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Benelux	Oct 8, 2015	Aug 16, 2016	003, 005	AVITA Medical Pty Ltd
AVITA LOGO	909371300	909371300	Registered	Brazil	May 13, 2019	Oct 17, 2017	005	AVITA Medical Pty Ltd
AVITA LOGO	909371407	909371407	Registered	Brazil	May 13, 2015	Oct 17, 2017	010	AVITA Medical Pty Ltd
RECELL	827197926	827197926	Registered	Brazil	Mar 7, 2005	Nov 13, 2007	010	AVITA Medical Pty Ltd
RECELL	909371482	909371482	Registered	Brazil	May 13, 2015	Oct 17, 2017	005	AVITA Medical Pty Ltd
RENOVACELL	909370567	909370567	Registered	Brazil	May 13, 2015	Oct 17, 2017	005	AVITA Medical Pty Ltd
RENOVACELL	909370753	909370753	Registered	Brazil	May 13, 2015	Oct 17, 2017	010	AVITA Medical Pty Ltd
RES	910105227	910105227	Registered	Brazil	Oct 8, 2015	Jun 19, 2018	003	AVITA Medical Pty Ltd
RES	910105294	910105294	Registered	Brazil	Oct 8, 2015	Nov 28, 2017	005	AVITA Medical Pty Ltd
REGENERATIVE EPITHELIAL SUSPENSION	910105146		Pending	Brazil	Oct 8, 2015		005	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	China	May 13, 2015	Nov 10, 2016	005	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	China	May 13, 2015	Jan 24, 2017	005, 010	AVITA Medical Pty Ltd
ReCell (stylized)	854939	854939	Registered	China	Jun 3, 2004	Aug 25, 2005	005, 010, 044	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	China	Oct 8, 2015	Jul 6, 2017	005	AVITA Medical Pty Ltd

RENOVACELL	1265046/476251110		Published	China	Jun 29, 2020		005, 010	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	Colombia	May 13, 2015	Jul 30, 2015	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	Colombia	May 13, 2015	Aug 23, 2018	005, 010	AVITA Medical Pty Ltd
REGENERATIVE EPITHELIAL SUSPENSION	1284165	1284165	Registered	Colombia	Oct 8, 2015	Sep 5, 2017	003, 005	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Colombia	Oct 8, 2015	Sep 27, 2018	003	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	Egypt	May 13, 2015	Jul 30, 2015	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	Egypt	May 13, 2015	Sep 17, 2015	005, 010	AVITA Medical Pty Ltd
REGENERATIVE EPITHELIAL SUSPENSION	1284165	1284165	Registered	Egypt	Oct 8, 2015	Jan 21, 2016	003, 005	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Egypt	Oct 8, 2015	Jan 21, 2016	003, 005	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	European Union	May 13, 2015	Jun 16, 2016	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	European Union	May 13, 2015	Jul 19, 2016	005, 010	AVITA Medical Pty Ltd
REGENERATIVE EPITHELIAL SUSPENSION	013919022	013919022	Registered	European Union	Apr 8, 2015	Sep 10, 2015	003, 005, 041	AVITA Medical Pty Ltd
REGENERCELL	1265047	018261233	Registered	European Union	Jun 24, 2020	Aug 25, 2020	005, 010	AVITA Medical Pty Ltd
RENOVACELL	1265046	018261234	Registered	European Union	Jun 24, 2020	Aug 25, 2020	005, 010	AVITA Medical Pty Ltd
RES	013920673	013920673	Registered	European Union	Apr 8, 2015	Apr 8, 2015	003, 005, 041	AVITA Medical Pty Ltd
SPRAY-ON SKIN	1072803	1072803	Registered	European Union	Mar 10, 2011	Mar 22, 2012	003, 005, 010	AVITA Medical Pty Ltd
AVITA LOGO	303407201	303407201	Registered	Hong Kong	May 13, 2015	Dec 14, 2015	005, 010	AVITA Medical Pty Ltd

RECELL	303407229	303407229	Registered	Hong Kong	May 13, 2015	May 13, 2015	005, 010	AVITA Medical Pty Ltd
REGENERCELL	303407238	303407238	Registered	Hong Kong	May 13, 2015	May 13, 2015	005, 010	AVITA Medical Pty Ltd
RENOVACELL	303407210	303407210	Registered	Hong Kong	May 13, 2015	May 13, 2015	010	AVITA Medical Pty Ltd
RES	303558385	303558385	Registered	Hong Kong	Oct 8, 2015	Oct 8, 2015	003, 005	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	India	May 13, 2015	Jan 12, 2017	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	India	May 13, 2015	Oct 21, 2019	005, 010	AVITA Medical Pty Ltd
RECELL	993211	993211	Registered	India	Feb 27, 2001	Feb 27, 2011	003	AVITA Medical Pty Ltd
RECELL	993212	993212	Registered	India	Feb 27, 2001	Feb 27, 2011	005	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	India	Oct 8, 2015	Oct 8, 2015	003, 005	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	Iran	May 13, 2015	Jul 30, 2015	005, 010	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Iran	Oct 8, 2015	Jan 21, 2016	003, 005	AVITA Medical Pty Ltd
RECELL	1265045		Pending	Iran	May 13, 2015		005, 010	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	Israel	May 13, 2015	Jun 7, 2018	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	Israel	May 13, 2015	May 4, 2017	005, 010	AVITA Medical Pty Ltd
REGENERCELL	1265047	328959	Registered	Israel	May 13, 2015	Jun 24, 2020	005, 010	AVITA Medical Pty Ltd
RENOVACELL	1265046	328960	Registered	Israel	May 13, 2015	Jun 24, 2020	005, 010	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Israel	Oct 8, 2015	Sep 4, 2017	003, 005	AVITA Medical Pty Ltd

AVITA LOGO	1258199	1258199	Registered	Japan	May 13, 2015	Aug 18, 2016	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	Japan	May 13, 2015	May 18, 2017	005, 010	AVITA Medical Pty Ltd
REGENERCELL	1265047	2020079285	Registered	Japan	Jun 26 2020	May 13, 2015	005, 010	AVITA Medical Pty Ltd
RENOVACELL	1265046	2020079284	Registered	Japan	Jun 26 , 2020	May 13, 2015	005, 010	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Japan	Oct 8, 2015	Jun 21, 2018	003, 005	AVITA Medical Pty Ltd
RECELL	706367 (706367T)	888621	Registered	Mexico	Mar 9, 2005	Jun 27, 2005	010	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	Oman	May 13, 2015	Jul 30, 2015	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	Oman	May 13, 2015	Sep 17, 2015	005, 010	AVITA Medical Pty Ltd
REGENERATIVE EPITHELIAL SUSPENSION	1284165	1284165	Registered	Oman	Oct 8, 2015	Jan 21, 2016	003, 005	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Oman	Oct 8, 2015	Dec 31, 2019	003, 005	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	Republic of Korea	May 13, 2015	Oct 13, 2016	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	Republic of Korea	May 13, 2015	Feb 23, 2017	005, 010	AVITA Medical Pty Ltd
ReCell (stylized)	854939	854939	Registered	Republic of Korea	Jun 3, , 2004	Oct 10, 2006	010, 044	AVITA Medical Pty Ltd
REGENERCELL	1265047	4020200112897	Registered	Republic of Korea	Jul 1, 2020	May 13, 2015	005, 010	AVITA Medical Pty Ltd
RENOVACELL	1265046	4020200127627	Registered	Republic of Korea	Jul 22, 2020	May 13, 2015	005, 010	AVITA Medical Pty Ltd

RES	1284000	1284000	Registered	Republic of Korea	Oct 8, 2015	May 10, 2018	005	AVITA Medical Pty Ltd
ReCell (stylized)	854939	854939	Registerd	Singapore	Jun 3, 2004	Jul 13, 2006	005, 010, 044	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registerd	Syrian Arab Republic	May 13, 2015	Jan 12, 2017	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	Syrian Arab Republic	May 13, 2015	Dec 15, 2016	005, 010	AVITA Medical Pty Ltd
REGENERATIVE EPITHELIAL SUSPENSION	1284165	1284165	Registered	Syrian Arab Republic	Oct 8, 2015	Jul 11, 2017	003, 005	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Syrian Arab Republic	Oct 8, 2015	Jul 11, 2017	003, 005	AVITA Medical Pty Ltd
AVITA LOGO	104026597	01888179	Registered	Taiwan R.O.C.	May 13, 2015	Dec 16, 2017	005, 010	AVITA Medical Pty Ltd
RECELL	104026598	1882092	Registered	Taiwan R.O.C.	May 13, 2015	Nov 16, 2017	005, 010	AVITA Medical Pty Ltd
RES		01888885	Registered	Taiwan R.O.C.	Oct 8, 2015	Jan 1, 2018	005	AVITA Medical Pty Ltd
AVITA LOGO	985783	191114045	Registered	Thailand	May 14, 2015	Aug 16, 2019	005	AVITA Medical Pty Ltd
AVITA LOGO	985784	191114073	Registered	Thailand	May 14, 2015	Aug 16, 2019	010	AVITA Medical Pty Ltd
RECELL	985786	191111618	Registered	Thailand	May 14, 2015	Jul 19, 2019	010	AVITA Medical Pty Ltd
REGENERCELL	985779	191113559	Registered	Thailand	May 14, 2015	Aug 9, 2019	005	AVITA Medical Pty Ltd
REGENERCELL	985780	191113564	Registered	Thailand	May 14, 2015	Aug 9, 2019	010	AVITA Medical Pty Ltd
RENOVACELL	985781	191113555	Registered	Thailand	May 14, 2015	Aug 9, 2019	005	AVITA Medical Pty Ltd
RENOVACELL	985782	191114048	Registered	Thailand	May 14, 2015	Aug 16, 2019	010	AVITA Medical Pty Ltd

RES	1008348	181100952	Registered	Thailand	Oct 8, 2015	Jan 12, 2018	005	AVITA Medical Pty Ltd
RECELL	985785		Published	Thailand	May 13, 2015		005	AVITA Medical Pty Ltd
RES	1008347	231111839	Registered	Thailand	Oct 8, 2015	April 25, 2023 _	003	AVITA Medical Pty Ltd
AVITA LOGO	1258199	1258199	Registered	Turkey	May 13, 2015	Jan 21, 2016	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	1265045	Registered	Turkey	May 13, 2015	Oct 26, 2017	005, 010	AVITA Medical Pty Ltd
ReCell (stylized)	854939	854939	Registered	Turkey	Jun 3, 2004	Feb 10, 2020	005, 010, 044	AVITA Medical Pty Ltd
REGENERCELL	1265047	201581059	Registered	Turkey	May 13, 2015	Jun 30, 2020	005, 010	AVITA Medical Pty Ltd
RENOVACELL	1265046	201581057	Registered	Turkey	May 13, 2015	Jun 30, 2020	005, 010	AVITA Medical Pty Ltd
RES	1284000	1284000	Registered	Turkey	Oct 8, 2015	Dec 31, 2016	003, 005	AVITA Medical Pty Ltd
AVITA LOGO	1258199	UK008125819 9	Registered	United Kingdom	May 13, 2015	Jun 16, 2016	005, 010	AVITA Medical Pty Ltd
RECELL	1265045	UK008126504 5	Registered	United Kingdom	May 13, 2015	Jul 19, 2016	005, 010	AVITA Medical Pty Ltd
REGENERATIVE EPITHELIAL SUSPENSION	013919022	UK009013919 022	Registered	United Kingdom	Apr 8, 2015	Sep 10, 2015	003, 005, 041	AVITA Medical Pty Ltd
REGENERCELL	1265047	UK009018261 233	Registered	United Kingdom	Jun 24, 2020	Aug 25, 2020	005, 010	AVITA Medical Pty Ltd
RENOVACELL	1265046	UK009018261 234	Registered	United Kingdom	Jun 24, 2020	Aug 25, 2020	005, 010	AVITA Medical Pty Ltd
RES	013920673	UK009013920 673	Registered	United Kingdom	Apr 8, 2015	Apr 8, 2015	003, 005, 041	AVITA Medical Pty Ltd
SPRAY-ON SKIN	1072803	UK008107280 3	Registered	United Kingdom	Mar 10, 2011	Mar 22, 2012	003, 005, 010	AVITA Medical Pty Ltd
RECELL LOGO	86453769	5703468	Registered	United States of	Nov 13, 2014	Mar 19, 2019	005, 010, 041, 044	AVITA Medical Pty Ltd

				America				
RECELL	86456218	5703469	Registered	United States of America	Nov 17, 2014	Mar 19, 2019	005, 010, 041, 044	AVITA Medical Pty Ltd
RES	1284000	5225178	Registered	United States of America	Oct 8, 2015	Jun 20, 2017	005	AVITA Medical Pty Ltd
SPRAY-ON SKIN	88000377	-	Abandoned	United States of America	June 14, 2018	-	005	AVITA Medical Pty Ltd
RENOVACELL	86453832	-	Abandoned	United States of America	December 22, 2015	-	010	AVITA Medical Pty Ltd
REGENERCELL	86452818	-	Abandoned	United States of America	November 13, 2014	-	005, 010, 041, 044	AVITA Medical Pty Ltd
SPRAY SKIN	86270016	-	Abandoned	United States of America	May 2, 2014	-	003, 005, 010	AVITA Medical Pty Ltd
SPRAY-ON SKIN	85127139	4072126	Cancelled	United States of America	September 10, 2010	Dec. 13, 2011	003, 005, 010	AVITA Medical Pty Ltd
REGENERATIVE EPITHELIAL SUSPENSION	79180907	-	Abandoned	United States of America	Oct. 8, 2015	-	003, 005	AVITA Medical Pty Ltd

Item B. Trademark Licenses

None.

SCHEDULE V
to Security Agreement

Item A. Copyrights/Mask Works

None.

Item B. Copyright/Mask Work Licenses

None.

SCHEDULE VI
to Security Agreement

Trade Secret or Know-How Licenses

None.

Execution version

Security trust deed

AVITA Security Trust

—

ORCO IV LLC (**Security Trustee**)

ORCO IV LLC (**Administrative Agent**)

AVITA Medical, Inc. (**Borrower**)

Each entity named in Schedule 1 (each an **Initial Beneficiary**)

Each entity named in Schedule 2 (each an **Initial Security Provider**)

—

3rd Floor Randall House 6 Dowgate Hill
London EC4R 2SU United Kingdom
T +44 20 7429 2780 F +44 20 7429 2788
minterellison.com

Security trust deed

AVITA Security Trust

Details

Date

11 December 2023

Parties

Name	**ORCO IV LLC**, a Delaware limited liability company
Short form name	**Security Trustee**
Notice details	c/o OrbiMed Advisors LLC 601 Lexington Avenue, 54th Floor New York, NY 10022 Attention: OrbiMed Credit Reporting Email: RoSCreditOps@OrbiMed.com with a copy to (which shall not constitute notice): Covington & Burling LLP The New York Times Building, 620 Eighth Avenue New York, NY 10018-1405 Attention: Peter A. Schwartz Email: pschwartz@cov.com Telephone: (212) 841-1268

Name	**ORCO IV LLC**, a Delaware limited liability company
Short form name	**Administrative Agent**
Notice details	c/o OrbiMed Advisors LLC 601 Lexington Avenue, 54th Floor New York, NY 10022 Attention: OrbiMed Credit Reporting Email: RoSCreditOps@OrbiMed.com with a copy to (which shall not constitute notice): Covington & Burling LLP The New York Times Building, 620 Eighth Avenue New York, NY 10018-1405 Attention: Peter A. Schwartz Email: pschwartz@cov.com Telephone: (212) 841-1268

Name	Each entity named in Schedule 1
Short form name	Each an **Initial Beneficiary**
Notice details	As set out in Schedule 1

Name	**AVITA Medical, Inc.**, a Delaware corporation
Short form name	**Borrower**
Notice details	28159 Avenue Stanford, Suite 220 Valencia, CA 91355 Attention: David O'Toole, Chief Financial Officer Email: dotoole@avitamedical.com With a copy to: AVITA Medical, Inc. 28159 Avenue Stanford, Suite 220 Valencia, CA 91355 Attention: Legal Department Email: legal@avitamedical.com

Name	Each entity named in Schedule 2
Short form name	Each an **Initial Security Provider**
Notice details	As set out in Schedule 2

Background

This document sets out the terms on which the Security Trustee will hold the Security Trust Fund for the Beneficiaries.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms from Credit Agreement

Terms defined in (or incorporated by reference to) the Credit Agreement (as defined below) have the same meanings when used in this document unless otherwise defined in this document.
Parties to the Credit Agreement referred to by short form name in this document are more fully described in the Credit Agreement.

1.2 Defined terms

In this document:

Accession Deed means a deed substantially in the form set out in Schedule 3or a document taken to be an Accession Deed under clause 12.4.

Administrative Agent means the person so named in this document, or any successor or replacement agent for the Lenders under the terms of the Credit Agreement.

Affiliate has the meaning given to that term in the Credit Agreement and includes, when used in relation to the Australian Security Provider, a "related body corporate" as defined in section 50 of the Corporations Act.

Attorney means an attorney appointed by a Security Provider under a Security Document.

Australian Security Agreement means:

(a) the General Security Deed;

(b) the Specific Security Deed (Marketable Securities);

(c) any other documents, incidental, collateral or supplementary to the Australian Security Agreements required by the Administrative Agent (including for purposes of payment of stamp duty and registration); and

(d) any other security agreement or other instrument or document executed and delivered by any Loan Party to the Security Trustee pursuant to this document or any other Loan Document granting a Security Interest on assets of the Initial Security Provider for the benefit of the Secured Parties.

Australian Security Provider means AVITA Medical Pty Limited ACN 058 466 523.

Authorised Representative means:

(a) in respect of any Loan Party, a person it specifies in writing (with a certified copy of that person's specimen signature) as being its authorised representative for the purposes of the Loan Documents where the Security Trustee has no notice of revocation of that authority; and

(b) in respect of the Security Trustee or a Beneficiary, a person whose title or acting title includes 'manager', 'associate', 'director', 'executive', 'chief', 'head', 'counsel', 'vice president' or 'president', or a person notified to the other parties as being its attorney or authorised representative for the purposes of the Security Trustee Documents.

Beneficiary means:

(a) each Secured Party;

(b) the Security Trustee (on its own account and not in its capacity as trustee of the Security Trust);

(c) the Administrative Agent;

(d) each Lender; and

(e) any other person who becomes a 'Beneficiary' in accordance with this document,

but excluding a person who ceases to be a Beneficiary under clause 12.6 or who has assigned or novated to one or more existing or new Beneficiaries all of its rights and obligations under (and in accordance with) the Loan Documents.

Corporations Act means the *Corporations Act 2001* (Cth) of Australia.

Credit Agreement means the credit agreement dated 18 October 2023 as amended, modified or supplemented from time to time between, amongst others, the Administrative Agent and AVITA Medical, Inc. as Borrower.

Default has the meaning given to that term in the Credit Agreement.

Enforcement Date means the first date after an Event of Default has occurred and while it is continuing on which:

(a) any Obligations have been declared due and payable before its specified due date; or

(b) the Security Trustee appoints a Receiver under, or otherwise enforces, a Security Document.

Event of Default has the same meaning given to that term in the Credit Agreement.

Exposure means at any time (without double-counting), in the case of a Beneficiary, the Obligations which any Security Provider is at that time actually or contingently liable to pay to such Beneficiary or which is for the account of such Beneficiary.

External Administrator means an administrator, controller or managing controller (each as defined in the Corporations Act), trustee, provisional liquidator, liquidator or any other person (however described) holding or appointed to an analogous office or acting or purporting to act in an analogous capacity.

General Security Deed means the general security deed granted by the Australian Security Provider in favour of the Security Trustee dated on or after the date of this document.

Guarantee has the same meaning given to that term in the Credit Agreement.

Insolvency Event means, in respect of a person, any of the following occurring:

(a) it becomes insolvent within the meaning of section 95A, or is taken to have failed to comply with a statutory demand under section 459F(1), or must be presumed by a court to be insolvent under section 459C(2), or is the subject of a circumstance specified in section 461 (whether or not an application to court has been made under that section) or, if the person is a Part 5.7 body, is taken to be unable to pay its debts under section 585, of the Corporations Act;

(b) except with the Security Trustee's consent:

(i) it is the subject of a Liquidation, or an order or an application is made for its Liquidation; or

(ii) an effective resolution is passed or meeting summoned or convened to consider a resolution for its Liquidation;

(c) an External Administrator is appointed to it or any of its assets or a step is taken to do so or its Affiliate requests such an appointment;

(d) if a registered corporation under the Corporations Act, a step is taken under sections 601AA, 601AB or 601AC of the Corporations Act to cancel its registration;

(e) if a trustee of a trust, it is unable to satisfy out of the assets of the trust the liabilities incurred by it for which it has a right to be indemnified from the assets of the trust as and when those liabilities fall due;

(f) an analogous or equivalent event to any listed above occurs in any jurisdiction; or

(g) it stops or suspends payment to all or a class of creditors generally.

Insurance Policy means each policy relating to the insurance required to be obtained or maintained under a Loan Document.

KYC Checks means, for a Beneficiary, the Beneficiary's 'know your customer' or similar identification and verification checks and procedures required for the Security Trustee to comply with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth), the *Anti-Money Laundering and Counter-Terrorism Financing Rules* and any other law or regulation of Australia or comparable law or regulation of another country, and to manage anti-money laundering, counter-terrorism financing or economic and trade sanctions risk.

Lender has the meaning given to that term in the Credit Agreement.

Liquidation means:

(a) a winding up, dissolution, liquidation, provisional liquidation, administration, bankruptcy or other proceeding for which an External Administrator is appointed, or an analogous or equivalent event or proceeding in any jurisdiction; or

(b) an arrangement, moratorium, assignment or composition with or for the benefit of creditors or any class or group of them.

Loan Document means:

(a) this document;

(b) each Security Document;

(c) the Credit Agreement;

(d) any Accession Deed;

(e) any 'Loan Document' as defined in the Credit Agreement or in another Loan Document;

(f) a document that the Borrower and the Security Trustee (acting in accordance with the instructions of the Administrative Agent in accordance with this document) agree is a 'Loan Document'; and

(g) a document entered into or given under or in connection with, or for the purpose of amending or novating, any document referred to in a paragraph above.

Loan Party means:

(a) each Security Provider;

(b) the Borrower; and

(c) each Guarantor (as that term is defined in the Credit Agreement).

Loss means a loss, claim, action, damage, liability, cost, charge, expense, penalty, compensation, fine or outgoing suffered, paid or incurred.

Notice has the meaning given to it in clause 14.

Obligations has the same meaning as in the Credit Agreement and includes, for the avoidance of doubt, any Obligations of the Security Providers to the Security Trustee.

Power means any right, power, discretion or remedy of the Security Trustee, a Beneficiary, a Receiver or an Attorney under any Loan Document or applicable law.

PPS Law means:

(a) the PPSA and any regulation made at any time under the PPSA, including the PPS Regulations (each as amended from time to time); and

(b) any amendment made at any time to any other legislation as a consequence of a law or regulation referred to in paragraph (a).

PPS Regulations means the *Personal Property Securities Regulations 2010* (Cth).

PPSA means the *Personal Property Securities Act 2009* (Cth).

Proportionate Exposure means, for a Beneficiary at any time, the proportion which the total of its Exposure bears to the Total Exposure at that time.

Receiver means a receiver or receiver and manager appointed under a Loan Document.

Secured Party has the same meaning as in the Credit Agreement and for the avoidance of doubt includes the Security Trustee.

Secured Property means the property and assets the subject of a Security Document.

Security Document means:

(a) each Australian Security Agreement; and

(b) each other present or future Security Interest, Guarantee or other document or agreement created as security in favour of the Security Trustee in its capacity as trustee of the Security Trust (directly or indirectly) for the payment or performance of any Obligations in favour of the Security Trustee or a Beneficiary under a Loan Document; and

(c) any other document which the Beneficiaries, the Security Trustee and the Security Providers agree at any time is a Security Document for the purposes of this document.

Security Interest means any 'Lien' (as defined in the Credit Agreement) and includes, for the avoidance of doubt, any 'security interest' as defined in sections 12(1) or (2) of the PPSA.

Security Provider means:

(a) each Initial Security Provider; and

(b) each person who becomes a 'New Security Provider' under an Accession Deed (on the Accession Deed taking effect).

Security Trust means the trust established under this document.

Security Trust Fund means:

(a) the amount held by the Security Trustee under clause 2.1;

(b) the Security Trustee's right, title and interest under each Security Document and each other Security Trustee Document (except to the extent held for its own account);

(c) any other property acquired by the Security Trustee on or after the date of this document and intended to be held for the benefit of the Beneficiaries under the Security Trust, including:

(i) any Security Document or other Loan Document which the Security Trustee enters into or which is given in its favour, and all money recovered under them, whether or not on enforcement;

(ii) any property representing the proceeds of sale or other disposition of any property forming part of the Security Trust Fund;

(iii) any property representing the proceeds of any insurance claims payable to the Security Trustee in respect of the Secured Property; and

(iv) any property into which any other property forming part of the Security Trust Fund is converted or invested and the proceeds of any such property.

Security Trustee means the person so named in this document or any successor or replacement security trustee under the terms of this document.

Security Trustee Document means a Loan Document to which the Security Trustee is a party and includes, for the avoidance of doubt, this document.

Specific Security Deed (Marketable Securities) means the specific security deed (marketable securities) granted by the Borrower in favour of the Security Trustee dated on or after the date of this document.

Total Exposure means, at any time, the sum of the Exposures of all the Beneficiaries at that

time.

US$ means the lawful money of the United States of America.

1.3 Interpretation

In this document:

(a) headings are for reference only and do not affect interpretation;

(b) subject to clause 1.4, any undertaking, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;

(c) the single includes the plural and vice versa, a gender includes other genders and different grammatical forms of defined expressions have corresponding meanings;

(d) unless stated otherwise, anything (other than making a payment) required to be done on or by a day which is not a Business Day, must be done on or by the next Business Day;

(e) no provision or expression is to be construed against a party on the basis that the party (or its advisers) was responsible for its drafting;

(f) examples and use of the word 'including' and similar expressions do not limit what else may to be included.

Unless the context requires otherwise, a reference in this document to:

(g) a party to any document includes that person's successors and permitted substitutes and assigns;

(h) an agreement includes any legally enforceable arrangement, understanding, undertaking or representation whether or not in writing;

(i) a document or agreement includes that document or agreement as novated, altered, amended, supplemented or replaced from time to time;

(j) any thing includes any part of it and a reference to a group of things or persons includes each thing or person in that group;

(k) clauses and schedules are to those in this document, and a reference to this document includes any schedule;

(l) a person, corporation, trust, partnership, unincorporated body or other entity includes any of them;

(m) time is to New York time unless stated otherwise;

(n) legislation or other law or a provision of them includes regulations and other instruments under them, and any consolidation, amendment, re-enactment or replacement;

(o) '**wilful default**' in relation to the Security Trustee means any wilful failure to comply with, or wilful breach by, the Security Trustee of any of its obligations under any Security Trustee Document other than a failure or breach which:

(i) arises as a result of a breach of a Security Trustee Document by a person other than the Security Trustee or the Administrative Agent (for so long as the same legal entity performs those roles) and (subject to any provisions of the Security Trustee Documents which limit its liability in respect of the acts and omissions thereof) its directors, officers, employees, agents, delegates or attorneys;

(ii) is in accordance with a lawful court order or direction or is required by law; or

(iii) is in accordance with a proper instruction or direction of the Administrative Agent at any time while the Security Trustee is not the same legal entity as the Administrative Agent; and

(p) '**property**' or an '**asset**' includes any real or personal, present or future, tangible or intangible property or asset and any right, interest, revenue or benefit in, under or derived from the property or asset.

1.4 Beneficiary obligations several

Except to the extent expressly provided for otherwise in this document, each Beneficiary's obligations under this document are several. A Beneficiary's failure to perform an obligation does not relieve another Beneficiary or a Security Provider of its obligations. No Beneficiary is responsible for the obligations of another Beneficiary.

1.5 Inconsistency

(a) The obligations of the Security Providers under this document and any Security Document are in addition to any obligations of the Security Providers under the Credit Agreement or any other Loan Document.

(b) If there is any inconsistency between the rights and obligations of the Security Trustee under this document and the rights and obligations of the Security Trustee under any other Security Trustee Document (other than the Credit Agreement), such rights and obligations under this document prevail to the extent of the inconsistency.

(c) Subject to paragraph (d) below, in the event of any inconsistency arising between any of the provisions of this document and the Credit Agreement, the provisions of the Credit Agreement shall prevail.

(d) Notwithstanding any provision to the contrary in any other Loan Document, the parties agree that the definition of 'Collateral' in the Credit Agreement includes any property secured by the Security Documents (including any 'Collateral' as defined therein).

(e) The inclusion of an obligation or permission in one document which is not included in another is not an inconsistency for the purposes of this clause 1.5.

1.6 Loan Document

The parties agree that this document is a 'Loan Document' for the purposes of the Credit Agreement.

2. Trust creation and appointment of Security Trustee

2.1 Declaration of trust

The Security Trustee declares that as at the time of execution of this document it holds the sum of US$10, and after execution of this document will hold the rest of the Security Trust Fund, on trust for the Beneficiaries on the terms of this document.

2.2 Name

The Security Trust will be named the **AVITA Security Trust**.

2.3 Term and perpetuity period

The Security Trust begins on the date of this document and, unless ended earlier, ends on the day before the 80th anniversary of the date of this document. The perpetuity period is 80 years from the date of this document.

2.4 Appointment and authority

The Beneficiaries:

(a) appoint the Security Trustee (which appointment the Security Trustee accepts) to act as trustee of the Security Trust Fund for the benefit of the Beneficiaries; and

(b) irrevocably authorise the Security Trustee to enter into and perform its obligations and exercise its Powers under each Security Trustee Document and any incidental rights, powers, discretions or remedies.

2.5 Security Provider acknowledgment

(a) Each Security Provider acknowledges and consents to the arrangements set out in this document.

(b) Subject to clause 2.5(c), each Security Provider must pay to each Beneficiary the amounts payable to that Beneficiary under the Loan Documents in the manner, at the time and in the currency specified in the Loan Documents and otherwise in accordance with the Loan Documents.

(c) At any time after the Security Documents have become enforceable, the Security Trustee may direct the Security Providers to pay all or any part of the amounts payable under the

Loan Documents to the Security Trustee or as the Security Trustee otherwise directs. Each Security Provider must comply with all such directions made by the Security Trustee unless an inconsistent direction is given by the Administrative Agent under any other Loan Document, in which case each Security Provider must comply with the directions of the Administrative Agent under such other Loan Document.

(d) Any payment made by a Security Provider to or to the order of the Security Trustee under and as required by this clause 2.5 discharges, to the extent of the payment received, the obligation of the Security Provider to make the relevant payment to the relevant Beneficiary.

3. Security Trustee to act on instruction

3.1 Instructions

Unless expressly provided otherwise in a Security Trustee Document, the Security Trustee must act, and need only act, if and only if it receives clear instructions to do so from the Administrative Agent (acting in accordance with the Credit Agreement).

3.2 Exercise of enforcement and other powers

(a) The Security Trustee must, if so instructed by the Administrative Agent following the occurrence and during the continuance of an Event of Default:

(i) give notice in writing to a Security Provider declaring that the relevant Obligations are immediately due and payable;

(ii) appoint, or remove, a Receiver under a Security Document; and

(iii) enforce or take steps to enforce a Security Document as directed by the Administrative Agent.

(b) The Security Trustee must, at any time after action has been taken under clause 3.2(a), do any other things it considers appropriate (or as instructed by the Administrative Agent) to enforce the relevant Security Document and exercise its Powers under that Security Document.

(c) The Security Trustee must not release:

(i) any specified Security Document in full; or

(ii) any specified assets from any Security Document,

unless it has been instructed to do so by the Administrative Agent or unless required by law or by the express terms of a Loan Document to do so.

3.3 Consent of Beneficiaries

Each Beneficiary authorises the Security Trustee to give any consent, and do any other matter or thing, necessary or appropriate for it to give effect to any instructions given to the Security Trustee in accordance with the Loan Documents.

3.4 Reliance on instructions

A notice from the Administrative Agent to the Security Trustee as to the instructions of the Administrative Agent is conclusive and may be relied on by the Security Trustee to determine its instructions to the exclusion of any other instructions or communications from individual Lenders as Beneficiaries.

3.5 Absence of instructions

Except as expressly provided otherwise in this document, in the absence of instructions which are required to be obtained from the Administrative Agent, the Security Trustee is not obliged to act, but may act in what it (in its sole discretion) considers to be in the best interests of the Beneficiaries.

3.6 No inquiry by Security Provider permitted

(a) A Security Provider may not inquire as to whether any instructions have been given to the Security Trustee by the Administrative Agent or as to the terms of those instructions.

(b) As between each Security Provider on the one hand, and the Security Trustee and the Beneficiaries on the other hand, all action taken by the Security Trustee under this document or any other Security Trustee Document is deemed to be authorised by the Beneficiaries.

4. Duties and responsibilities of Security Trustee

4.1 Duties and responsibilities limited

The Security Trustee's obligations, duties and responsibilities in its capacity as trustee of the Security Trust under or in connection with this document and each other Security Trustee Document are limited to those expressly set out in the Security Trustee Documents. Without limitation, except to the extent expressly provided for in a Security Trustee Document, the Security Trustee is not:

(a) an agent for, and does not owe any fiduciary obligations to, any Beneficiary or Security Provider, regardless of whether a Default has occurred and is continuing;

(b) responsible or liable if it acts in good faith on an instruction purportedly given by the Administrative Agent that is later found to be defective, invalid or not binding on the Security Trustee or any Beneficiary purportedly bound by the instruction;

(c) responsible or liable for, or to see the proper use or application of, any financial accommodation or other consideration provided or to be provided by any Beneficiary to a Security Provider in connection with the Loan Documents;

(d) liable to any Beneficiary or Security Provider because any other Beneficiary or Security Provider fails to perform its obligations under any Loan Document or (in the case of a Beneficiary) provide instructions where requested by the Administrative Agent in accordance with the Loan Documents; or

(e) responsible or liable for the validity, effectiveness, genuineness, enforceability or sufficiency of any Security Document or any other Loan Document or any other certificate or document given under any of them (except to the extent of Loss due to the Security Trustee's own fraud, gross negligence or wilful default),

provided that nothing in this clause 4.1 releases or discharges the Security Trustee from any responsibility or liability which it has as a Beneficiary in any capacity other than as security trustee of the Security Trust.

4.2 When the Security Trustee need not act

Despite any other provision of any Loan Document and regardless of whether it has received instructions from the Administrative Agent, the Security Trustee is not obliged to act or exercise any Power:

(a) unless its liability is limited in the manner set out in clause 7;

(b) until it is first indemnified to its reasonable satisfaction in accordance with clause 8 or otherwise or the Beneficiaries place the Security Trustee in funds equivalent to the amount which the Security Trustee reasonably determines may become payable in respect of any liabilities, costs or expenses which will or may arise from the Security Trustee taking that action;

(c) where in the Security Trustee's opinion, or in the opinion of its counsel, to do so would or may result in the Security Trustee breaching the terms of a Loan Document or any law or expose the Security Trustee to any liability; or

(d) if it is impossible for the Security Trustee to act or to act lawfully due to any cause beyond its control (including but not limited to act of God, war, riot, terrorism, fire, natural disaster, labour dispute or change in or introduction of law taking effect after the date of this document).

No Beneficiary may have recourse to the Security Trustee where the Security Trustee does not act on the Beneficiary's instructions (on behalf of the Administrative Agent) as contemplated by this clause 4.2.

4.3 No investigation or monitoring

The Security Trustee is not obliged to:

(a) keep itself informed as to any Security Provider's performance or observance of its obligations under a Loan Document or any other document;

(b) enquire or investigate whether or not a Default or an Event of Default has occurred or is continuing;

(c) examine or enquire into, nor will it be liable for, any defect or failure in title to property intended to be Secured Property, and may accept any such title without requisition or objection; or

(d) inspect, investigate or enquire into any matter relating to or concerning the Secured Property or books of any Security Provider or to assess or keep under review the business, operations, financial condition, creditworthiness or status of affairs of any Security Provider.

4.4 Knowledge and awareness of Security Trustee

(a) For the purposes of each Security Trustee Document, the Security Trustee in its capacity as trustee of the Security Trust will only be considered to have knowledge, notice of or awareness of any matter or thing to the extent of actual knowledge, notice of or awareness of the officers or employees of the Security Trustee who have day to day responsibility for the administration of the Security Trustee's obligations under this document or the Security Trust.

(b) The Security Trustee in its capacity as trustee of the Security Trust is not deemed to know of a Default or Event of Default unless the Security Trustee has received Notice from a Beneficiary or a Security Provider stating that a Default or Event of Default has occurred.

4.5 Information duties

(a) The Security Trustee must give the Administrative Agent a copy of each document which the Security Trustee gives to or receives in connection with any Loan Document. It is not required to review or check the accuracy or completeness of any such document.

(b) The Security Trustee has no duty to provide any Beneficiary with any credit or other information concerning the assets, liabilities, financial condition or business of any Loan Party or any other person other than as specified in clause 4.5(a).

(c) The Security Trustee has no duty or responsibility to (but is authorised by each Security Provider to) provide any Beneficiary with any information concerning the affairs or financial condition of any Security Provider which may come into the possession of the Security Trustee.

(d) The Security Trustee is not bound to disclose to any person any information relating to any party to a Loan Document if the disclosure would or might in its reasonable opinion breach any Loan Document, a law or duty of secrecy or confidentiality or otherwise be actionable at the suit of any person.

5. Beneficiary provisions

5.1 Security Trustee to have same rights as Beneficiaries

If the Security Trustee is or becomes a Beneficiary in a capacity other than as trustee of the Security Trust, it has the same rights, powers and discretions as a Beneficiary under each Security Trustee Document as any other Beneficiary and may exercise the same as if it were not acting as trustee of the Security Trust.

5.2 Actions binding on all Beneficiaries

Any action taken or decision made by the Security Trustee in accordance with any Security Trustee Document is:

(a) as between the Security Trustee and the Beneficiaries, binding on all the Beneficiaries; and

(b) as between each Security Provider on the one hand, and the Security Trustee and the Beneficiaries on the other hand, deemed to be authorised by the Beneficiaries.

5.3 No exercise of Powers by Beneficiaries

No Beneficiary may exercise any Power comprised in the Security Trust Fund except through the Security Trustee on the terms of this document.

5.4 Independent decision by Beneficiaries

(a) Each Beneficiary acknowledges that it has, independently and without reliance on the Security Trustee or any other Beneficiary, and based on such documents and information as it has deemed appropriate, made its own investigation into the affairs and financial condition of each Security Provider and other relevant persons and the value, validity, effectiveness, genuineness and enforceability of each Loan Document.

(b) Each Beneficiary must independently and without reliance upon the Security Trustee or any other Beneficiary, and based on the documents and information as it deems appropriate at the time, continue to make its own analyses and decisions in taking or not taking action under any Loan Document.

(c) The Security Trustee is not liable if a Beneficiary fails to do anything referred to in paragraph (a) or (b) or if a Beneficiary suffers loss or damage as a result of doing anything referred to in paragraph (a) or (b).

5.5 Requirements of reasonableness

If a Loan Document expressly requires the Security Trustee to act reasonably or not act unreasonably in forming an opinion or exercising its Powers, each Beneficiary agrees to act in the required manner when instructing the Security Trustee on that matter.

5.6 Information about Exposure

(a) Each Beneficiary agrees to give the Security Trustee, promptly following a request, information reasonably required by the Security Trustee from time to time to determine the amount of the Beneficiary's Exposure.

(b) As between the Security Trustee and the Beneficiaries only, the Security Trustee may rely on information provided by an Authorised Representative of a Beneficiary pursuant to clause 5.6(a) (or if a Beneficiary fails to provide that information, on such information held or obtained by the Security Trustee concerning the amount of the Beneficiary's Exposure) as being correct unless proved incorrect.

5.7 Rights of each Beneficiary

Subject to the provisions of this document, each Beneficiary has the benefit of, and rights under, this document even if it is not a party to this document and it may not have been in existence at the time that this document is executed.

6. Security Trustee's rights and powers

6.1 Rights of Security Trustee

Except as expressly set out in this document and the Credit Agreement, the Security Trustee:

(a) may exercise all of its Powers under the Security Trustee Documents and all of the powers conferred by law or equity on a trustee generally in respect of the Security Trustee Documents as if it alone beneficially owned the Security Trustee Documents; and

(b) may determine whether or not to enforce a Security Trustee Document or to seek to recover any Obligations and may determine the manner in which that enforcement or recovery is conducted.

6.2 Statutory powers

The powers of the Security Trustee under this document or any other Security Trustee Document are in addition to any powers the Security Trustee has under any applicable law.

6.3 Notice of enforcement

To the extent not prohibited by law or except as expressly required under this document or a Security Document, before enforcing this document or any other Security Document, or exercising any Power, the Security Trustee is not required to give any notice or allow the expiration of time to any person.

6.4 Dealing in different capacities

(a) The Security Trustee may:

(i) engage in any kind of banking, trust or other business with any Security Provider or any Beneficiary; and

(ii) accept fees and other consideration from any Security Provider for services in connection with the Loan Documents or any other arrangement,

as if it were not the trustee of the Security Trust. The Security Trustee need not notify the Beneficiaries if it does so, nor account to the Beneficiaries for any income or other benefit it derives in doing so, and the Beneficiaries release the Security Trustee from any obligation it might otherwise have to the Beneficiaries in relation to those matters.

(b) In this clause 6.4, a reference to the Security Trustee, a Beneficiary or a Security Provider includes any Affiliate of those persons.

(c) The Security Trustee may exercise a Power even if it, one of its directors or one of its shareholders has a personal interest in whether, or the way in which, the Power is exercised or may benefit (directly or indirectly) from the exercise of the Power.

6.5 Right to appoint attorney and agents

The Security Trustee, instead of acting personally, may appoint an attorney or employ an agent or contractor to do any act required or permitted to be done by the Security Trustee under the Security Trustee Documents.

6.6 Right to delegate

The Security Trustee may:

(a) delegate its Powers under this document or in relation to the Security Documents, either wholly or partially or subject to any limitations or restrictions, to any person (including

any Beneficiary) as it thinks fit, proper or appropriate in its absolute discretion;

(b) from time to time execute such powers of attorney or other instruments as it thinks proper;

(c) revoke any delegation under paragraph (a); and

(d) act notwithstanding the existence of any conflict of interest,

without being responsible for Loss occasioned by so doing if the Security Trustee has not been guilty of fraud, gross negligence or wilful default in so delegating or so revoking any such delegation. No person dealing with the Security Trustee or any person to whom the exercise of the Powers referred to in this clause 6.6 has been delegated, need enquire whether the delegation remains in force.

6.7 Acting on advice

The Security Trustee may obtain and act on the opinion, certificate or advice of or information obtained from, any attorney, agent, contractor or delegatee appointed by it under clauses 6.5 or 6.6 or any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other consultant reasonably believed by the Security Trustee to have expertise in relation to the relevant matter. The Security Trustee is not liable for any Loss for doing so, except to the extent of such Loss due to the Security Trustee's fraud, gross negligence or wilful default in so acting.

6.8 Security Trustee may rely on certain things

The Security Trustee is entitled to rely:

(a) on any Notice, communication or document (including any facsimile or electronic transmission) that it believes to be genuine; and

(b) as to any matters of fact which might reasonably be expected to be within the knowledge of any party to any of the Loan Documents, on a certificate signed by or on behalf of such party,

in each case without liability for Loss for doing so, except to the extent of such Loss due to the Security Trustee's fraud, gross negligence or wilful default in so acting.

6.9 Minor amendments to Security Trustee Documents

(a) Each Beneficiary authorises the Security Trustee, in its capacity as trustee of the Security Trust, to agree or effect any amendment to a Security Trustee Document if:

(i) the amendment will not increase the obligations or reduce the rights of the Beneficiary, change the times or amounts of payment of any money payable to the Beneficiary under any Security Trustee Document or adversely affect the value of any Security Document;

(ii) the amendment does not amend or purport to amend this clause or any provision under which the agreement or instructions of the Administrative Agent are required; and

(iii) the Security Trustee, acting reasonably, is satisfied that the amendment is of a formal or technical nature only or is made to correct a manifest error or an error of a minor nature.

(b) Each Beneficiary will be bound by any amendment made by the Security Trustee in accordance with this clause 6.9. The Security Trustee must notify all Beneficiaries of any such amendment.

7. Liability of Security Trustee

7.1 Limit on liability

Subject to clause 7.2, the Security Trustee is not, and its directors, Authorised Representatives, employees, agents and attorneys are not, liable to any party for:

(a) any Loss occurring as a result of it exercising, failing to exercise or purporting to exercise any Power under this document or in relation to the Security Documents or the Security Trustee Documents;

(b) subject to this document, the actions of any agent, delegate, Authorised Representative or employee of the Security Trustee;

(c) any mistake or omission made by it or its agent, delegate, Authorised Representative or employee;

(d) any other matter or thing done, or not done, in relation to the Security Documents or the Security Trustee Documents;

(e) any absence of, or defect in title or for its inability to exercise any of its Powers under the Security Documents or the Security Trustee Documents;

(f) any failure by a Security Provider to perform its obligations under any Loan Document or Security Document;

(g) any failure by a Beneficiary to:

(i) perform its obligations under any other Loan Document; or

(ii) provide instructions where requested by the Security Trustee in accordance with this document;

(h) the financial condition or solvency of a Security Provider;

(i) any statement, representation or warranty of a Security Provider being incorrect or misleading in any respect;

(j) any failure or delay in performing its duties or obligations where it is impossible for the Security Trustee to act or to act lawfully due to any cause beyond its control (including but not limited to act of God, war, riot, terrorism, fire, natural disaster, labour dispute or law taking effect after the date of this document);

(k) acting in accordance with the instructions of the Administrative Agent in accordance with this document, or in the absence of instructions in accordance with clauses 3.5 or 4.2, or for refraining from acting:

(i) in accordance with the instructions of the Administrative Agent, in accordance with this document; or

(ii) where there are no instructions which are required by this document for the Security Trustee to act or refrain from acting;

(l) the value, validity, effectiveness, genuineness, enforceability or sufficiency of any Security Document or any other Loan Document or any other certificate or document given under any of them; and

(m) any recitals, statements, representations or warranties contained in any Loan Document or in any certificate or other document referred to in or provided for in, or received by it under, any Loan Document.

The limitation of the Security Trustee's liability under this clause 7.1 applies despite any other provision of any Security Trustee Document (other than clause 7.2 (*Exceptions to limit on liability*)) and extends to all liabilities and obligations of the Security Trustee in relation to any representation, warranty, conduct, omission, agreement or transaction related to this document.

7.2 Exceptions to limit on liability

Clause 7.1 will not apply to the extent that the Security Trustee or any of its employees, agents or Authorised Representatives has been guilty of fraud, gross negligence or wilful default. None of the following of itself will amount to fraud, gross negligence or wilful default of the Security Trustee:

(a) failure by the Security Trustee to act due to lack of instructions or lack of proper or clear instructions from the Administrative Agent, except while the Security Trustee is the

same legal entity as the Administrative Agent; or

(b) any act or omission, to the extent caused or contributed to by any failure by any other person (other than the Security Trustee's employee or officer).

7.3 Recourse to Security Trustee

Except to the extent that the Security Trustee has been guilty of fraud, gross negligence or wilful default:

(a) a liability of the Security Trustee to the Beneficiaries or Security Providers can be enforced against the Security Trustee only to the extent to which the Security Trustee is entitled to be and is in fact indemnified for that liability out of the Security Trust Fund; and

(b) no Beneficiary or Security Provider may sue the Security Trustee in any capacity other than as a trustee of the Security Trust in respect of any matter arising out of a Security Trustee Document. Without limitation, no Beneficiary or Security Provider may seek the appointment of an External Administrator to or prove in any Liquidation of the Security Trustee, except in relation to and to the extent of the Security Trust Fund.

7.4 Duties of the Security Trustee

(a) The Security Trustee is not:

(i) responsible if it acts upon any instruction purported to have been given by the Administrative Agent even though it may subsequently be found that there was some defect in the instruction or for any other reason the instruction was not valid or binding upon any of those Beneficiaries whom it purports to bind or upon the Security Trustee;

(ii) except as expressly set out in this document:

(A) responsible in respect of financial accommodation provided by any Beneficiary to a Security Provider; or

(B) bound or concerned to see to the due application of them by a Security Provider; or

(iii) bound or concerned to examine or enquire into, nor be liable for, any defect or failure in the title of a Security Provider to the assets of a Security Provider and is entitled to accept any such title without requisition or objection.

(b) Failure by the Security Trustee to act due to lack of instructions or lack of proper or clear instructions from the Administrative Agent does not in itself amount to bad faith, fraud, gross negligence or wilful misconduct of the Security Trustee unless at the relevant time the same legal entity is also the Administrative Agent.

7.5 PPSA security interests

(a) The Security Trustee is not, and its directors, Authorised Representatives, employees, agents or attorneys (including an Attorney) are not, liable to any party, for taking, or failing to take, any action for the purposes of the PPSA, whether for the benefit of all the Beneficiaries or one or more of them, unless the Security Trustee:

(i) is expressly instructed to do so by the Administrative Agent; and

(ii) is satisfied that it is indemnified (or otherwise put in funds) to its reasonable satisfaction in relation to that matter.

(b) Without limiting clause 7.5(a), none of the Security Trustee nor its directors, Authorised Representatives, employees, agents or attorneys (including an Attorney) are:

(i) required to review or check whether any Loan Document or any other agreement, arrangement or document relating to them is or contains a security interest for the purposes of the PPSA or whether any such security interest has been or should be perfected under the PPSA;

(ii) liable to any party, for not identifying or perfecting under the PPSA any security interest which may be constituted by or contained in any Loan Document or any other agreement, arrangement or document; or

(iii) guilty of bad faith, fraud, gross negligence or wilful misconduct solely because they have not identified, or have failed to perfect under the PPSA, any security interest which may be constituted by or be contained in any Loan Document or any other agreement, arrangement or document relating to them, unless the Security Trustee has been expressly instructed to do so by the Administrative Agent.

(c) This clause 7.5 does not limit in any way any other provision of a Loan Document which benefits, releases, exonerates or indemnifies the Security Trustee or any of its directors, Authorised Representatives, employees, agents or attorneys (including an Attorney).

8. Security Trustee's indemnities

8.1 Indemnity out of Security Trust Fund

Subject to clause 8.3, the Security Trustee is and will be indemnified out of any money from time to time received or recovered by the Security Trustee under each Security Document in respect of

all Losses (including any moneys paid or to be paid for the employment or appointment of any agent and including legal costs and expenses on a full indemnity basis) incurred by it:

(a) in the exercise, protection or defence of any Powers or in performing any of its obligations, duties or responsibilities; or

(b) otherwise in relation to a Security Document or other Security Trustee Document.

The Security Trustee may, from time to time, retain and pay out of any moneys recovered from the Securities an amount to satisfy such indemnity.

8.2 Indemnity by Beneficiaries

(a) Subject to clause 8.3, if there are insufficient moneys available for the Security Trustee to promptly satisfy its right to indemnity under clause 8.1, each Beneficiary severally in its Proportionate Exposure:

(i) indemnifies the Security Trustee against that amount; and

(ii) must pay to the Security Trustee an amount equal to its share within 3 Business Days after demand from the Security Trustee.

(b) The indemnity in clause 8.2(a) is in addition to, and without prejudice to, any right of indemnity available to the Security Trustee in law or equity or in any other Security Trustee Document.

8.3 Exceptions to indemnities

The indemnities in clauses 8.1 and 8.2(a) do not apply to the extent of any Loss of the Security Trustee as a result of the Security Trustee's fraud, gross negligence or wilful default.

8.4 Indemnity by Security Provider

Each Security Provider jointly and severally indemnifies each Beneficiary against, and must pay to a Beneficiary on demand amounts equal to, any Loss in connection with amounts that the Beneficiary is required to pay under clause 8.2(a).

8.5 First indemnified

Despite any other provision of any Loan Document, the Security Trustee is not obliged to take any action under any Security Trustee Document, or exercise any Power, (including in connection with enforcement or proposed enforcement of any Security Document), until it is first indemnified to its satisfaction in accordance with this clause 8 or otherwise.

9. Payments and distributions

9.1 Obligations received before Enforcement Date

(a) Any principal amounts of financial accommodation repaid or prepaid under the terms of the Credit Agreement before the Enforcement Date will be for the account of the Administrative Agent and the Lenders in accordance with the Credit Agreement.

(b) Subject to the Security Trustee Documents, if before the Enforcement Date the Security Trustee receives or recovers any money which form Obligations then due and payable to a Beneficiary (whether pursuant to a Security Document or otherwise from a Security Provider), the Security Trustee will promptly pay that money to that Beneficiary.

9.2 Payments directed through Security Trustee

If, on or after the Enforcement Date, the Administrative Agent instructs the Security Trustee to direct each Security Provider to make all payments of the Obligations through the Security Trustee:

(a) the Security Trustee will make that direction to each Security Provider; and

(b) on and after receipt of that direction each Security Provider will make all payments under the Loan Documents to the Security Trustee on behalf of the Beneficiaries until directed otherwise by the Security Trustee (acting on the instructions of the Administrative Agent),

and to the extent received by the Security Trustee, any such payment strictly in accordance with the direction is taken to satisfy the Security Provider's obligation to pay that amount to the Security Trustee and the Beneficiaries.

9.3 Distribution of Obligations received on or after Enforcement Date

Any amount (including the proceeds of any enforcement of a Security Document) received by the Security Trustee or a Receiver or otherwise recovered by the Security Trustee or a Receiver on or after the Enforcement Date must be applied and distributed in accordance with the Credit Agreement.

9.4 Exclusion from amounts for distribution

Amounts due for distribution under clause 9.1 or clause 9.3 will not include:

(a) the proceeds of a claim under an Insurance Policy which are permitted under the terms of any Loan Document to be applied to reinstate or replace property any damaged or destroyed Secured Property covered by that Insurance Policy or which are not otherwise required to be paid to any Secured Party under the terms of the Loan Documents;

(b) amounts (and any interest paid on those amounts) credited to a suspense account established in accordance with any Loan Document (for so long as those amounts remain credited to that suspense account); or

(c) amounts received or recovered by a Beneficiary under arrangements (including credit derivatives and sub-participations) entered into by the Beneficiary in good faith with parties unrelated to the Security Providers to cover some or all of its risk under the Loan Documents.

9.5 Appropriation by Security Provider

A distribution under clause 9.2 or clause 9.3 overrides any appropriation made by a Security Provider.

9.6 Suspense account

(a) If any Obligations are contingently owing to any Beneficiary at the time of a distribution of an amount under clause 9.3, the Security Trustee may retain any of that amount and place it on short term interest bearing deposit until the relevant Obligations become

actually due or ceases to be contingently owing, following which the Security Trustee will:

(i) pay to that Beneficiary the amount which becomes actually due to it; and

(ii) apply the balance of the amount retained (together with interest earned on the deposit) in accordance with clause 9.3.

(b) If the Obligations have been fully and finally paid or discharged and the Security Trustee is satisfied that such payment or discharge is not liable to be set aside, avoided or reversed, then the balance standing to the credit of the deposit account and any accrued interest must be paid to or for the account of the relevant Security Provider for distribution to the persons entitled to it and no Beneficiary will have any further liability in relation to it.

9.7 Credit of available funds

In applying money received under this document or any Security Document towards the satisfaction of the Obligations:

(a) the account of the relevant Security Provider will be credited with only so much of the money available for the purpose as is actually received by the Security Trustee and not credited to a suspense account; and

(b) the credit will date from the time of receipt (as determined by the Security Trustee).

9.8 Turnover – amounts not received through distribution

Subject to clauses 9.4 and 9.9, if after the Enforcement Date a Beneficiary receives or recovers (whether by direct payment, set-off or otherwise) an amount in respect of any Obligations

otherwise than by distribution in accordance with the Credit Agreement or by the Security Trustee under this document:

(a) the Beneficiary must promptly notify the Security Trustee and (unless the Security Trustee otherwise directs on the instructions of all other Beneficiaries) pay that amount to the Security Trustee;

(b) unless paragraph (c) applies, the receipt or recovery will be treated as having been received by the Security Trustee (and not by the Beneficiary) for distribution under this document, and will not reduce the Obligations owing to the Beneficiary (except to the extent of any distribution subsequently received by the Beneficiary in accordance with the Credit Agreement or from the Security Trustee under this document);

(c) if the receipt or recovery was obtained other than by payment (such as by set-off) from a person who was or became insolvent at the time of the receipt or recovery or otherwise in accordance with the Credit Agreement, each other Beneficiary is automatically taken to have assigned to the Beneficiary all right, title and interest to an amount of the Obligations equal to the amount received or recovered by the Beneficiary, with the intent that the Beneficiaries then have the same rights and obligations as if the receipt or recovery had been paid to the Security Trustee for the account of the Beneficiaries and distributed under this document or otherwise in accordance with the Credit Agreement;

(d) each Security Provider must indemnify the Beneficiary against, and must pay on demand amounts equal to, any Loss arising as a result of or in connection with a payment made by the Beneficiary under paragraph (a) to the extent that the Security Provider's liability has been discharged by the receipt or recovery; and

(e) if all or part of the amount received or recovered by the Beneficiary must subsequently be refunded or restored by the Beneficiary:

(i) the other Beneficiaries must repay to the Security Trustee (for the account of the Beneficiary) the amount necessary to ensure that all the Beneficiaries share rateably in the amount of the recovery or payment retained; and

(ii) each Security Provider must indemnify the Security Trustee and each Beneficiary against, and must pay on demand amounts equal to, any Loss arising as a result of or in connection with any Beneficiary making or becoming liable to make any

payment under sub-paragraph (i) to the extent that the Security Provider's liability has been discharged by the amount received by that Beneficiary from either the Security Provider or another Beneficiary.

9.9 Entitlement to share in recovery

If the Security Trustee or a Beneficiary receives or recovers an amount as a result of any legal action or proceedings against a Security Provider, any Beneficiary which (being entitled and having been given a reasonable opportunity to do so) did not join in or share in the costs of the action from the time it was instituted is not entitled to share in the amount received or recovered until each Beneficiary who did join in or share in those costs, receives the amounts contributed by it in joining in or sharing in the costs of the action. Once the above amounts have been repaid, the balance of the recovered amount will be distributed in accordance with clause 9.

9.10 Overriding application

This clause 9 applies despite any rule of law or equity to the contrary or the respective dates on which anything is done.

10. Replacement of Security Trustee

10.1 Resignation of Security Trustee

The Security Trustee may resign at any time by giving at least 30 days' notice (or such shorter period as the Borrower and the Administrative Agent may agree) to that effect to:

(a) each Beneficiary at the time (if any) or the Administrative Agent; and

(b) the Borrower.

10.2 Removal of Security Trustee

The Security Trustee may be removed from being trustee of the Security Trust at any time:

(a) by the Administrative Agent giving to the Security Trustee at least 30 days notice to that effect; and

(b) except where an Event of Default is continuing or the removal of the Security Trustee is due to the Security Trustee's fraud, gross negligence or wilful default, with the agreement of the Borrower, which agreement must not be unreasonably withheld or delayed.

10.3 Effect of resignation or removal

(a) Upon the resignation or removal of the Security Trustee pursuant to clauses 10.1 or 10.2, the Security Trustee is released from any further obligations as trustee of the Security Trust under this document and the Security Documents, but such release does not prejudice any liability in respect of any default arising before the termination of appointment.

(b) Clauses 7 (*Liability of Security Trustee*) and 8 (*Security Trustee's indemnities*) will continue to benefit the outgoing Security Trustee in respect of any action taken or not taken by it in connection with the Loan Documents while it was the Security Trustee.

10.4 Costs of resignation or removal

(a) Subject to clause 10.4(b)(i), the Borrower must indemnify the Security Trustee and the Beneficiaries for the costs of any resignation, removal and replacement of the Security Trustee under this clause 10.

(b) The Security Trustee will bear its own costs of resignation, removal and replacement (including the cost of appointing a new Security Trustee) under this clause 10 if:

(i) the Security Trustee is removed due to the Security Trustee's fraud, gross negligence or wilful default or due to a change in the identity of the Administrative

Agent where the outgoing Administrative Agent is required to bear its own costs of resignation pursuant to the Credit Agreement; or

(ii) the Security Trustee chooses to resign pursuant to clause 10.1.

10.5 Assurances

Despite clauses 10.1 and 10.2, no resignation or removal of the Security Trustee takes effect unless:

(a) a successor Security Trustee has been appointed in accordance with clause 10.6;

(b) the successor Security Trustee undertakes to act as trustee of the Security Trust and be bound in that capacity by the terms of this document and each other Security Trustee Document (subject to any agreed amendment to those documents); and

(c) the successor Security Trustee obtains title to each Security Interest, Security Document and the Security Trust Fund in its capacity as trustee of the Security Trust.

10.6 Appointment of successor Security Trustee

(a) If the Security Trustee resigns or is removed, the Administrative Agent may appoint a successor Security Trustee approved by the Borrower, which approval:

(i) must not be unreasonably withheld or delayed;

(ii) is not required if:

(A) an Event of Default is continuing; or

(B) the successor Security Trustee is to be an Affiliate of the retiring Security Trustee or is to be the same person as any successor Administrative Agent appointed at the same time under Section 11.6 (*Resignation or Removal of Administrative Agent*) of the Credit Agreement; and

(iii) is deemed to be given if the Borrower does not reply within 10 Business Days after the request for its approval is made.

(b) If no successor Security Trustee is so appointed or accepts the appointment within 30 days after:

(i) notice of resignation or removal is given in accordance with clauses 10.1 or 10.2; or

(ii) the Security Trustee's appointment is otherwise terminated,

the Security Trustee may, on behalf of each Beneficiary, appoint a successor Security Trustee on substantially the same terms and conditions as are provided for in this document.

(c) Each Beneficiary and each Security Provider are bound by the terms and conditions of any appointment effected under clause 10.6(b).

(d) Each Beneficiary and each Security Provider must do all things reasonably necessary, including executing any deeds of appointment or vesting, to ensure that the appointment of any successor Security Trustee is properly and promptly effected.

(e) When a successor Security Trustee is appointed, the successor Security Trustee and each other party to the Security Trustee Documents have the same rights and obligations among themselves as they would have had if the successor Security Trustee had been an original party to the Security Trustee Documents (other than in relation to any accrued right against the terminated Security Trustee for default under the Security Trustee Documents) in place of the terminated Security Trustee.

(f) A party appointing a successor Security Trustee must cause the successor Security Trustee to execute novation deeds or agreements with third parties as required or appropriate to give effect to clause 10.6(e).

(g) Each Beneficiary, for consideration received, appoints the Security Trustee and each director, company secretary or other Authorised Representative of the Security Trustee severally its attorney, in their respective names and on their respective behalf, to do all things and execute, sign, seal and deliver (conditionally or unconditionally in the attorneys discretion) all documents, deeds and instruments necessary or desirable for:

(i) the appointment of a successor Security Trustee under clause 10.6(b); and

(ii) the vesting in that successor Security Trustee of all of the Security Trust Fund or any part of it.

This power may be delegated or a sub-power may be given, and any delegate or sub-attorney may be removed, by the attorney appointing it.

11. Administrative Agent provisions

11.1 Communication by Lenders

All communication by a Lender (in its capacity as a Beneficiary) to a Security Provider in connection with the Security Documents, the Security Trust Fund or this document must be made through the Security Trustee, except during any period in which the Administrative Agent and the Security Trustee (on its own account and not in its capacity as trustee of the Security Trust) are the only Beneficiaries.

11.2 Capacity and dealings

(a) The Administrative Agent enters into this document as the administrative agent for and on behalf of the relevant Lenders pursuant to the Credit Agreement.

(b) The parties acknowledge that:

(i) any instruction or direction of the Lenders (or, in each case, the relevant number of them) will be communicated to the Security Trustee by the Administrative Agent and will relate to, and be in respect of, the Exposure of all of those Lenders under the Credit Agreement (and the Security Trustee may rely on that instruction or direction without further enquiry); and

(ii) a Lender may not give an instruction or direction independently to the Security Trustee in respect of its Exposure under the Credit Agreement.

(c) The Security Trustee need not inquire whether any instruction or direction given or not given by the Administrative Agent under this document has been given or not given in accordance with the Credit Agreement.

(d) All action taken or not taken by the Administrative Agent is, as regards the Security Trustee, deemed to be authorised by all relevant Lenders under the Credit Agreement, and without the Security Trustee being responsible, or liable to any person, for any Loss due to lack of authority (save for any responsibility or liability accruing to the Security Trustee by reason of it being the same legal entity as the Administrative Agent).

11.3 Information about Lenders

The Administrative Agent will inform the Security Trustee promptly following a request as to the identity of the Lenders and their respective Exposures, and the Security Trustee may rely on such information without further investigation.

11.4 Notification of Event of Default and Enforcement Date

The Administrative Agent will inform the Security Trustee in writing of the occurrence of:

(a) an Event of Default under the Credit Agreement; and

(b) the Enforcement Date,

and the Security Trustee may rely on such information without further investigation.

11.5 Assignment by Administrative Agent

The Administrative Agent may assign or otherwise deal with all or any of its rights and obligations under this document in accordance with the Credit Agreement.

12. Changes to Security Providers and Beneficiaries

12.1 Assignment by Security Provider

A Security Provider may not assign or otherwise deal with its rights under this document or any Security Document without the consent of the Security Trustee (acting on the instructions of the Administrative Agent).

12.2 New Security Provider

(a) The Borrower and each other Security Provider must ensure that any person who grants a Security Document and is not already a Security Provider will, on the same day that it grants the Security Document, become bound by this document as if it were a party to this document as a 'Security Provider' by:

(i) executing 2 counterparts of an Accession Deed and delivering these to the Security Trustee; and

(ii) providing to the Security Trustee all information and documents required for the Security Trustee to complete KYC Checks in respect of the new Security Provider.

(b) Each of the parties to this document (other than the Security Trustee) appoints the Security Trustee as its agent to sign on its behalf any Accession Deed referred to in paragraph (a). The execution of an Accession Deed referred to in paragraph (a) does not operate to release any party from its obligations under this document or any other Loan Document.

12.3 Assignment by Beneficiary

Subject to the other Loan Documents, a Beneficiary may assign or otherwise deal with all or any of its rights and transfer all or any of its obligations under this document.

12.4 New Beneficiary by assignment or novation

(a) If a Lender transfers, substitutes or novates any of its rights and obligations under the Credit Agreement to a person who is to become a new 'Lender' pursuant to a documented transfer, substitution or novation procedure in accordance with the terms of the Credit Agreement the new Lender automatically becomes a Beneficiary without the requirement to take any action and the parties agree that the relevant transfer, substitution or novation documents are taken to be an Accession Deed.

(b) If a Beneficiary other than a Lender assigns any of its rights or novates any of its rights and obligations under a Loan Document (or proposes to do so) in accordance with the Loan Documents:

(i) the Beneficiary must notify the Security Trustee accordingly; and

(ii) the Beneficiary and the assignee or novatee must enter into an Accession Deed with the Security Trustee so that the assignee or novatee will become bound by this document as if it were a party to this document as a 'Beneficiary'.

(c) If a Beneficiary's assignment or novation is of only part of its rights and obligations under the Loan Documents, it continues to have the benefit of, and to be bound by, this document as a Beneficiary.

(d) If a Beneficiary's assignment or novation is of all of its rights and obligations under the Loan Documents, on the relevant Accession Deed taking effect, it ceases to be a Beneficiary and is released from any further obligations as a Beneficiary under this document other than in respect of any breach by it of this document arising before it ceased to be a Beneficiary.

For the purposes of this clause 12.4, 'Loan Document' does not include this document.

12.5 Accession Deeds

(a) An Accession Deed will not be effective until the Security Trustee has executed the Accession Deed.

(b) On an Accession Deed taking effect the relevant new Beneficiary or new Security Provider becomes bound as, and obtains benefits as, a 'Beneficiary' or 'Security Provider' (as applicable) under this document on the same basis as if it were a party to this document.

(c) The Security Trustee must notify the Administrative Agent of a person becoming a new 'Beneficiary' or 'Security Provider' (as applicable) promptly after the relevant Accession Deed takes effect.

(d) Each Beneficiary and each Security Provider for valuable consideration irrevocably authorises each of the Security Trustee and the Security Trustee's Authorised Representatives separately to execute on its behalf any Accession Deed contemplated to be entered into pursuant to this document, and to do anything else that the Security Trustee considers appropriate to effect the accession contemplated by the Accession Deed.

12.6 Opting out by Beneficiary

(a) A Beneficiary will cease to be a Beneficiary at the time it receives payment in full and final satisfaction of all Obligations due to it under the Loan Documents and, subject to clause 15.5 (*Reinstating avoided transaction*), has no further actual or contingent obligations under any Loan Document. At that time, but subject to clause 15.5 (*Reinstating avoided transaction*), it will also cease to have any rights and obligations under this document.

(b) If the Administrative Agent is replaced in its capacity as Administrative Agent under the Credit Agreement and the other Loan Documents, it will cease to have any rights and obligations under this document in its capacity as Administrative Agent when its replacement executes an Accession Deed and delivers it to the Security Trustee.

13. Payments

13.1 Payment requirements

(a) All payments by a Security Provider under this document or any Security Document must be made in accordance with Credit Agreement.

(b) If the Security Trustee directs a Security Provider to pay a particular person or in a particular manner, the Security Provider's payment obligation is only discharged when the person to whom payment is directed actually receives the relevant amount.

14. Notices, demands and communications

14.1 Defined term

In this clause 14, **Notice** means a notice, demand, consent, approval or communication given by a party pursuant to or in connection with this document or any Security Trustee Document.

14.2 Service

A Notice given by a party in connection with this document or any Security Document must be given in accordance to the Credit Agreement and, in the case of a Notice given by or to the Security Trustee, as if the Notice were a Notice given by or to the Administrative Agent.

15. Protection of Security Trustee, Beneficiaries and third parties

15.1 Security Trustee and Beneficiaries not

restricted

The Security Trustee or a Beneficiary need not:

(a) exercise a Power, give a consent or make a decision under a Loan Document unless the Loan Document expressly provides otherwise or, in the case of the Security Trustee, as instructed by the Administrative Agent; or

(b) resort to a Security Document or Power before resorting to any other of them.

15.2 Security Trustee and Beneficiaries not liable

Except as expressly provided otherwise in this document, to the extent permitted by law, the Security Trustee, a Beneficiary or an Attorney will not be liable to anyone for any Loss in relation to an exercise or attempted exercise of a Power, or a failure or delay in exercising a Power.

15.3 Security Trustee may set off

At any time while an Event of Default is continuing, the Security Trustee may, without any demand or notice, set off and apply indebtedness it owes to a Security Provider (whatever the currency) against any money owing to it by a Security Provider under any Loan Document, whether or not the amount owed by the Security Trustee or a Security Provider is immediately payable or is owed alone or with any other person. Each Security Provider irrevocably authorises the Security Trustee to do anything necessary (including to sign any document and effect appropriate currency exchanges) for that purpose.

15.4 Set off by a Security Provider

Except as may be expressly provided for in a Loan Document, a Security Provider may not (either directly or indirectly) claim, exercise or attempt to exercise a right of set-off or counterclaim against the Security Trustee (whether its or any other person's right) or any other right which might have the effect of reducing the Obligations.

15.5 Reinstating avoided transaction

Each Security Provider agrees that if a payment or other transaction relating to the Obligations is void, voidable, unenforceable or defective for any reason or a related claim is upheld, conceded or settled (each an **Avoidance**), then even though the Security Trustee or a Beneficiary knew or should have known of the Avoidance:

(a) each Power and the Security Provider's liability under each Loan Document will be what it would have been, and will continue, as if the payment or transaction the subject of the Avoidance had not occurred; and

(b) it will immediately execute and do anything necessary or required by the Security Trustee to restore the Security Trustee or Beneficiary (as applicable) to its position immediately before the Avoidance (including reinstating any Loan Document).

This clause survives any termination or full or partial discharge or release of any Loan Document.

15.6 Authorised Representatives

Each Security Provider irrevocably authorises the Security Trustee to rely on a certificate by any person purporting to be its director or company secretary as to the identity and signatures of its Authorised Representatives, and to rely on any Notice or other document contemplated by a Loan Document which bears the purported signature (whether given by facsimile or otherwise) of its Authorised Representative. Each Security Provider warrants that those persons have been authorised to give notices and communications under or in connection with this document and any Security Trustee Document.

15.7 Security Trustee's opinion

An opinion or view of the Security Trustee for the purposes of the Loan Documents may be formed or held on its behalf by its Authorised Representative, its board of directors or by any other person it authorises to act on its behalf in relation to the Loan Documents.

15.8 Protection of third parties

No person dealing with the Security Trustee is bound to enquire whether the Security Trustee:

(a) has been properly appointed under this document; or

(b) has the requisite Power under this document or another Loan Document,

and any person dealing with the Security Trustee may assume that anything purported to be done by the Security Trustee under this document or another Security Trustee Document has been duly authorised by this document and the Beneficiaries.

16. General provisions

16.1 Prompt performance

If a time is not specified for the performance by a Security Provider of an obligation under this document or any Security Document, it must be performed promptly.

16.2 Powers

Powers under the Loan Documents are cumulative and do not limit or exclude Powers under law. Full or partial exercise of a Power does not prevent a further exercise of that or any other Power. No failure or delay in exercising a Power operates as a waiver or representation. Unless expressly provided in a Loan Document, no Power or Loan Document merges in, limits or excludes any other Power, Loan Document or judgment which the Security Trustee or a Beneficiary (or anyone claiming through it) may have or obtain.

16.3 Consent, approvals and waivers

A consent, approval or waiver by the Security Trustee or a Beneficiary in relation to this document or any Security Document is effective only if in writing. If given subject to conditions, the consent, approval or waiver only takes effect when the conditions are complied with to the Security Trustee's or Beneficiary's satisfaction.

16.4 Indemnities and reimbursement obligations

The Security Trustee or a Beneficiary need not incur an expense or make a payment before enforcing an indemnity or reimbursement obligation in a Security Trustee Document. Unless otherwise stated, each such indemnity or reimbursement obligation is separate and independent of each other obligation of the party giving it, is absolute, irrevocable, unconditional and payable on demand and continues despite any settlement of account, termination of any Security Trustee Document or anything else.

16.5 Notices or demands as evidence

A notice or certificate from or demand by the Security Trustee stating that an Event of Default has occurred, or that a specified sum of money is owing or payable under a Loan Document or stating any other fact or determination relevant to the rights or obligations of the Security Trustee or a Security Provider under a Loan Document, is taken to be correct unless proved incorrect.

16.6 Law and legislation

To the extent permitted by law:

(a) each Security Trustee Document prevails to the extent of inconsistency with any law; and

(b) any present or future legislation operating to reduce a Security Provider's obligations under a Security Trustee Document or the effectiveness of the Powers is excluded.

16.7 Severability

A provision of a Security Trustee Document that is illegal, invalid or unenforceable in a jurisdiction is ineffective in that jurisdiction to the extent of the illegality, invalidity or unenforceability. This does not affect the validity or enforceability of that provision in any other jurisdiction, nor the

remainder of that Security Trustee Document in any jurisdiction.

16.8 Variation of this document

(a) Subject to paragraph (b) below, a variation of this document must be in writing and signed by or on behalf of each Security Provider and the Security Trustee (on the instructions of the Administrative Agent).

(b) The Security Trustee may vary any provision of this document on behalf of the Beneficiaries if permitted under clause 6.9 (*Minor amendments to Security Trustee Documents*).

16.9 Governing law and jurisdiction

(a) This document is governed by the laws of New South Wales, Australia. Each Security Provider irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of that place (and any court of appeal) and waives any right to object to an action being brought in those courts, including on the basis of an inconvenient forum or those courts not having jurisdiction.

(b) The Security Trustee or a Beneficiary may take proceedings in connection with the Security Trustee Documents in any other court with jurisdiction or concurrent proceedings in any number of jurisdictions.

16.10 Service of process

(a) Without preventing any other mode of service, any document in an action or process may be served on any party by being delivered to or left for that party at its address for service of Notices under this document, an Accession Deed or any Security Document.

(b) Each Security Provider appoints the Australian Security Provider as its agent to accept service of process under or in connection with this document and the Security Trustee Documents, and the Australian Security Provider accepts the appointment. The appointment may not be revoked without the Security Trustee's consent. Each Security Provider agrees that service of documents on its process agent is sufficient service on the Security Provider, and that failure by a process agent to notify the Security Provider of any

document in an action in connection with this document and any Security Trustee Document will not invalidate the action concerned.

16.11 Counterparts

(a) This document may be executed in any number of counterparts or copies, each of which may be executed by physical signature in wet ink or electronically (whether in whole or part). A party who has executed a counterpart of this document may exchange it with another party (the **Recipient**) by:

(i) emailing a copy of the executed counterpart to the Recipient; or

(ii) utilising an electronic platform (including DocuSign) to circulate the executed counterpart,

and will be taken to have adequately identified themselves by so emailing the copy to the Recipient or utilising the electronic platform.

(b) Each party consents to signatories and parties executing this document by electronic means and to identifying themselves in the manner specified in this clause.

(c) Each counterpart constitutes an original (whether kept in electronic or paper form), all of which together constitute one instrument as if the signatures (or other execution markings) on the counterparts or copies were on a single physical copy of this document in paper form. Without limiting the foregoing, if any of the signatures or other markings on behalf of one party are on different counterparts or copies of this document, this shall be taken to be, and have the same effect as, signatures on the same counterpart and on a single copy of this document.

Schedule 1 – Initial Beneficiaries

Name **ORCO IV LLC**, a Delaware limited liability company
Notice details c/o OrbiMed Advisors LLC
601 Lexington Avenue, 54th Floor
New York, NY 10022
Attention: OrbiMed Credit Reporting
Email:
RoSCreditOps@OrbiMed.com

with a copy to (which shall not constitute notice):
Covington & Burling LLP
The New York Times Building, 620 Eighth Avenue
New York, NY 10018-1405
Attention: Peter A. Schwartz
Email: pschwartz@cov.com
Telephone: (212) 841-1268

Schedule 2 – Initial Security Providers

Name **AVITA Medical, Inc.**, a Delaware corporation

Notice details

28159 Avenue Stanford, Suite
220 Valencia, CA 91355
Attention: David O'Toole, Chief Financial Officer
Email: dotoole@avitamedical.com

With a copy to:
AVITA Medical, Inc.
28159 Avenue Stanford, Suite 220
Valencia, CA 91355
Attention: Legal Department
Email: legal@avitamedical.com

Name **AVITA Medical Pty Limited**

ACN 058 406 523

Notice details

Level 7, 330 Collins
Street Melbourne, Victoria
3000 Attention: Lou
Panaccio
Email: Lou.Panaccio@cpwcapital.net.au

Schedule 3 – Accession Deed

Accession deed

Date [**Insert date**]

Parties

Name **[Full name of New Security Provider/Beneficiary]**
ABN [ ]
Short form name **New [Security Provider/Beneficiary]**
Notice details [ ]
Facsimile: [ ]
Attention: [ ]

Name **ORCO IV LLC**, a Delaware limited liability company
Capacity For itself and for and on behalf of each other party to the Security Trust Deed at the date of this document
Short form name **Security Trustee**
Notice details As specified in the Security Trust Deed

Agreed terms

1. Defined terms & interpretation

In this document:

(a) **Accession Date** means the date on which all parties have executed this document;

(b) **Security Trust Deed** means the deed titled [**insert title**] between the Security Trustee, AVITA Medical, Inc. and others dated [**insert date**];

(c) terms defined in the Security Trust Deed have the same meanings when used in this document unless otherwise defined in this document; and

(d) the provisions of clause [*interpretation provisions*] of the Security Trust Deed are incorporated in, and apply to, this document as if set out in full with any necessary amendments.

2. Accession

On and from the Accession Date:

(a) the New [Security Provider/Beneficiary] agrees to become, and each other party to this document agrees with each other and with the New [Security Provider/Beneficiary] that the New [Security Provider/Beneficiary] will become a party to the Security Trust Deed as a [Security Provider/Beneficiary];

(b) the New [Security Provider/Beneficiary] acquires all rights and benefits of, and agrees to comply with and be bound by all present and future obligations of, a [Security Provider/Beneficiary] under the Security Trust Deed as a party to that document in that capacity;

(c) the New [Security Provider/Beneficiary] agrees to do all things that a [Security Provider/Beneficiary] is required under the Security Trust Deed or another Loan Document

to procure or ensure are to be done by the New [Security Provider/Beneficiary] in connection with it becoming a [Security Provider/Beneficiary]; and

(d) without limiting the general application of this clause 2, the New [Security Provider/Beneficiary] appoints as its attorney each person who under the terms of the Security Trust Deed or another Loan Document, is appointed an attorney of a [Security Provider/Beneficiary] on the same terms and for the same purposes as contained in the Security Trust Deed or that other Loan Document.

3. Acknowledgment

The New [Security Provider/Beneficiary] acknowledges having received a copy of, and approved, the Security Trust Deed, together with all other documents and information it requires in connection with this document, before signing this document.

4. Representations and warranties

The New Security Provider gives the representations and warranties in clause [*clause number*] of [*relevant Loan Document/s containing full party representations and warranties to be given by a Security Provider*] as at the Accession Date.

5. Notices and other communications

The notice details of the New [Security Provider/Beneficiary] for the purposes of the Security Trust Deed are specified in the 'Parties' section of this document.

6. Counterparts

This document may be executed in any number of counterparts. Each counterpart constitutes an original of this document, all of which together constitute one instrument. A party who has executed a counterpart of this document may exchange it with another party by faxing, or by emailing a pdf (portable document format) copy of, the executed counterpart to that other party, and if requested by that other party, will promptly deliver the original by hand or post. Failure to make that delivery will not affect the validity of this document.

7. Governing law and jurisdiction

This document is governed by the laws of New South Wales, Australia and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of that place. [*Insert where new party has no presence in Australia:*] The New [Security Provider/Beneficiary] appoints [] to act as its agent for service of process in connection with the Security Trust Deed.

EXECUTED as a deed.

Each attorney signing this document under a power of attorney certifies, by the attorney's signature, that the attorney has no notice of the revocation of the power of attorney.

[**Execution by the New [Security Provider/Beneficiary]**]

[**Execution by the Security Trustee (for itself and each other party to the Security Trust Deed at the date of this document)**]

Signing pages

EXECUTED as a deed.

Each signatory executing this document (electronically or otherwise) intends by that execution to be bound by this document, and where the signatory has signed as an officer or attorney of a party, for that party to be bound by this document. Each attorney signing this document under a power of attorney certifies, by the attorney's signature, that the attorney has no notice of the revocation of the power of attorney.

Security Trustee

Signed sealed and **delivered** by **ORCO IV** LLC in the presence of

/s/ Brendan Weber	/s/ W. Carter Neild
Signature of Witness	Signature of authorised signatory
Brendan Weber	W. Carter Neild
Name of Witness	Name of authorised signatory

Administrative Agent

Signed sealed and delivered by ORCO IV LLC in the presence of

/s/ Brendan Weber	/s/ W. Carter Neild
Signature of Witness	Signature of authorised signatory
Brendan Weber	W. Carter Neild
Name of Witness	Name of authorised signatory

Borrower

Signed sealed and **delivered by AVITA Medical, Inc.** in the presence of

/s/ Lydia Martinez	/s/ James Corbett
Signature of Witness	Signature of authorised signatory
Lydia Martinez	James Corbett
Name of Witness	Name of authorised signatory

Initial Beneficiary

Signed sealed and **delivered by ORCO IV LLC** in the presence of

/s/ Brendan Weber	/s/ W. Carter Neild
Signature of Witness	Signature of authorised signatory
Brendan Weber	W. Carter Neild
Name of Witness	Name of authorised signatory

Initial Security Providers

Executed by **AVITA Medical Pty Limited** in accordance with Section 127 of the *Corporations Act 2001* (Cth)
Signature of director

/s/ Lou Panaccio	/s/ Suzanne Mary Crowe
Signature of director	Signature of director/company secretary
Lou Panaccio	Suzanne Mary Crowe
Name of director (print)	Name of director/company secretary (print)

Signed sealed and delivered by AVITA Medical, Inc. In the presence of

/s/ Lydia Martinez	/s/ James Corbett
Signature of Witness	Signature of authorised signatory
Lydia Martinez	James Corbett
Name of Witness	Name of authorised signatory

Name of authorised signatory

Execution version

Specific security deed (marketable securities)

AVITA

—

AVITA Medical, Inc. (**Grantor**)

ORCO IV LLC (**Secured Party**)

—

3rd Floor Randall House 6 Dowgate Hill
London EC4R 2SU United Kingdom
T +44 20 7429 2780 F +44 20 7429 2788
minterellison.com

Specific security deed (marketable securities)

AVITA

Details

Date 11 December 2023

Parties

Name **AVITA Medical, Inc.**, a Delaware corporation
Short form name **Grantor**
Notice details Address: 28159 Avenue Stanford, Suite 220, Santa Clarita CA 91355 Email: dotoole@avitamedical.com
Attention: David O'Toole, Chief Financial Officer

Name **ORCO IV LLC**, a Delaware limited liability company
Capacity As trustee of the trust established under the Security Trust Deed Short form name **Secured Party**
Notice details c/o OrbiMed Advisors LLC
601 Lexington Avenue, 54th Floor
New York, NY 10022
Attention: OrbiMed Credit Reporting
Email:
RoSCreditOps@OrbiMed.com

Background

A The Grantor agrees to grant the Secured Party a security interest in the Collateral to secure payment and performance of the Obligations.

B The Grantor does this in return for the Secured Party and the other Beneficiaries entering into the Loan Documents, the transactions contemplated by those documents and other valuable consideration.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms from Credit Agreement

Terms defined in (or incorporated by reference to) the Credit Agreement (as defined below) have the same meanings when used in this document unless otherwise defined in this document.
Parties to the Credit Agreement referred to by short form name in this document are more fully described in the Credit Agreement.

1.2 Other defined terms

In this document:

A$ means the lawful currency of Australia.

Affiliate has the meaning given to that term in the Security Trust Deed.

Attorney means an attorney appointed by the Grantor under this document.

Authorisation means any consent, authorisation, registration, filing, agreement, notarisation, certificate, permit, licence, approval, authority or exemption of, from or required by, a Governmental Authority or required by law. Where intervention or action of a Governmental Authority within a specified period would fully or partly prohibit or restrict something by law, **Authorisation** includes the expiry of that period without that intervention or action.

Authorised Representative has the meaning given to that term in the Security Trust Deed.

Avoidance has the meaning given to that term in clause 19.5.

Beneficiary has the meaning given to that term in the Security Trust Deed, but also includes the Secured Party in any capacity.

Collateral means all the Grantor's present and future Relevant Marketable Securities, Rights and Proceeds and any certificate, registration, title or other evidence of ownership of, or rights to, any of those things.

Credit Agreement has the meaning given to that term in the Security Trust Deed.

Event of Default has the meaning given to that term in the Security Trust Deed.

Governmental Authority has the meaning given to that term in the Credit Agreement.

Guarantee has the meaning given to that term in the Security Trust Deed.

Insolvency Event has the meaning given to that term in the Security Trust Deed.

Liquidation has the meaning given to that term in the Security Trust Deed.

Loan Document has the meaning given to that term in the Security Trust Deed.

Loan Party has the meaning given to that term in the Security Trust Deed.

Loss has the meaning given to that term in the Security Trust Deed.

Marketable Security means:

(a) a 'marketable security' (as defined in the Corporations Act);

(b) a negotiable instrument (within the ordinary meaning of that term);

(c) a unit or other interest in a trust or partnership; and

(d) a right or an option in respect of any of the above, whether issued or unissued.

Notice has the meaning given to that term in the Security Trust Deed.

Obligations has the meaning given to that term in the Security Trust Deed.

Permitted Lien means each Lien (as defined in the Credit Agreement) permitted by section 8.3 (*Liens*) of the Credit Agreement.

Permitted Restriction means:

(a) each Permitted Lien;

(b) a Restriction disclosed in writing to, and consented to in writing by, the Secured Party on or before the date of this document (unless the consent was conditional and any of the conditions are not complied with); and

(c) a Restriction created after the date of this document which was consented to by the Secured Party in writing on or before its creation (unless the consent was conditional and any of the conditions are not complied with).

Power means any right, power, discretion or remedy of the Secured Party, a Beneficiary, a Receiver or an Attorney under any Loan Document or applicable law.

PPS Law has the meaning given to that term in the Security Trust Deed.

PPS Regulations has the meaning given to that term in the Security Trust Deed.

PPSA has the meaning given to that term in the Security Trust Deed.

Proceeds means all money (in whatever currency) and amounts payable to the Grantor or to which the Grantor is entitled now or in the future (whether alone or with any other person) on any account or in any way whatsoever under, or as holder of, any Relevant Marketable Securities or Rights, including:

(a) distributions, dividends, bonuses, profits, return of capital, interest and all proceeds of sale (within the ordinary meaning of those words), redemption or disposal; and

(b) all 'proceeds' (as defined in section 31 of the PPSA), including all proceeds identified in sections 31(1)(a) to 31(1)(c) of the PPSA.

Receiver means a receiver or receiver and manager appointed under this document.

Relevant Marketable Securities means the Marketable Securities owned by the Grantor in the Share Issuer, including those described in Schedule 1 and any other Marketable Securities located, for the purposes of the PPSA, in Australia:

(a) that the Grantor deposits with the Secured Party;

(b) acquired by the Grantor, or to which the Grantor becomes entitled, under its Rights; or

(c) that the Grantor and Secured Party designate as 'Relevant Marketable Securities' for the purposes of this document.

Restriction means any agreement, obligation or arrangement that restricts, or entitles another person to rights of pre-emption or refusal for, a sale, assignment or other dealing with Relevant Marketable Securities.

Rights means:

(a) rights to acquire Marketable Securities arising because the Grantor has an interest in the Relevant Marketable Securities, including due to any allotment, offer, substitution, conversion, consolidation, reclassification, redemption, reconstruction, amalgamation, subdivision, reduction of capital, Liquidation or scheme of arrangement in relation to any Relevant Marketable Securities; and

(b) any other rights of the Grantor of any kind in connection with the Relevant Marketable Securities, including in relation to any Proceeds.

Security Document has the meaning given to that term in the Security Trust Deed.

Security Interest has the meaning given to that term in the Security Trust Deed.

Security Trust has the meaning given to that term in clause 2.1.

Security Trust Deed means the document titled '*Security trust deed – AVITA Security Trust*' between, amongst others, the Secured Party, the Grantor and others dated on or about the date of this document.

Security Trustee Documents has the meaning given to that term in the Security Trust Deed.

Share Issuer means a company specified as such in Schedule 1.

Title Documents means each certificate, confirmation, grant, assurance, conveyance, deed and other document of title or evidencing title to, or rights to acquire, possess, use or dispose of, any Collateral.

wilful default has the meaning given in clause 1.3 (*Interpretation*) of the Security Trust Deed.

1.3 PPSA terms incorporated

In this document, unless the context requires otherwise, the following words and expressions (and grammatical variations of them) have the same meanings given to them in the PPSA or the PPS Regulations (as applicable): **advance**, **after-acquired property**, **amendment demand**, **attach**, **consumer property**, **control, documents of title**, **financing change statement**, **financing statement**, **future advance**, **investment instrument**, **negotiable instrument**, **personal property**, **purchase money security interest** and **verification statement**.

1.4 Interpretation

(a) The provisions of clause 1.3 (*Interpretation*) of the Security Trust Deed are incorporated in, and apply to, this document as if set out in full with any necessary amendments.

(b) In this document to '**grant a security interest**' includes to charge, mortgage, pledge, encumber, assign by way of security and transfer by way of security.

1.5 Security Agreement, Loan Document and Specific Security Deed (Marketable Securities)

The parties agree that this document is:

(a) a 'Security Agreement' and 'Loan Document' for the purposes of the Credit Agreement; and

(b) the 'Specific Security Deed (Marketable Securities)' referred to in the Security Trust Deed.

2. Secured Party's limit on liability

2.1 Capacity and acts

The Secured Party enters into this document only in its capacity as trustee of the trust established under the Security Trust Deed (**Security Trust**) and in no other capacity. Each other party acknowledges that under the terms of the Security Trust Deed, the Secured Party:

(a) holds the benefit of this document for the Beneficiaries from time to time; and

(b) is bound to act on the instructions of the Beneficiaries, and is not bound to act without instructions or where the Security Trust Deed otherwise provides that the Secured Party is not bound to act.

2.2 Duties and responsibilities limited

The Secured Party's obligations, duties and responsibilities under or in connection with this document are limited to those expressly set out in the Security Trust Deed and this document.

2.3 Benefit and survival

Clause 2 applies for the benefit of the Secured Party's officers and agents and will survive termination of this document.

3. Grant of security

3.1 Security interest and charge

(a) The Grantor grants a security interest in the Collateral to the Secured Party (for the benefit of the Beneficiaries) to secure payment and performance of the Obligations.

(b) For the purposes of section 20(2)(b) of the PPSA (but without limiting the meaning of 'Collateral' in this document), this security interest is taken in all the Grantor's present and after-acquired property, except any such property which is not Collateral. This security interest is a charge.

(c) If for any reason it is necessary to determine the nature of this charge, it is a fixed charge over the Collateral.

3.2 Continuing security and obligations

Each Security Interest granted under this document is a continuing security until the Secured Party releases all Collateral from the Security Interest, despite any intermediate payment, discharge, settlement, release or other matter. The Grantor's obligations under this document continue despite any full or partial release of the Collateral and no full or partial release of Collateral will release the Grantor from personal liability under this document until all the Obligations have in fact been received by the Secured Party and are not liable to be disgorged.

4. Dealings with Collateral

The Grantor must not do, or agree to do, any of the following except as permitted by the Credit Agreement:

(a) create or allow another interest (including without limitation any Security Interest) in any Collateral; or

(b) transfer or dispose or part with possession of any Collateral.

5. Priority

5.1 Priority of Security Interest in Collateral

(a) The parties intend that each Security Interest created under this document:

(i) takes priority over all other Security Interests and other interests in the Collateral at any time other than any Permitted Lien as agreed in writing by the Secured Party as having priority or as mandatorily preferred by law; and

(ii) has the same priority in relation to all Obligations, including future advances.

(b) Nothing in this clause 5.1 restricts the Secured Party from claiming that a Security Interest granted under this document is a purchase money security interest in respect of all or part of the Collateral.

5.2 No agreement or consent to subordination or attachment

Nothing in this document may be construed as an agreement or consent by the Secured Party to:

(a) (**subordination**) subordinate a Security Interest created under this document in favour of any person;

(b) (**security**) any Security Interest other than any Permitted Lien attaching to or being created in any Collateral; or

(c) (**deferral of attachment**) defer or postpone the date of attachment of a Security Interest created under this document in any Collateral.

5.3 Contrary agreements

This clause 5 is subject to any express written agreement to the contrary between the parties, including the overriding provisions of any subordination and/or priority agreement entered into by the Secured Party in respect of any other holder of security.

6. General security provisions

6.1 Security continuing and independent

(a) Each of this document, each Security Interest created under it and each other Security Document is in addition to and enforceable independently of any other Security Interest, Guarantee or Security Document.

(b) Each of this document and, subject to any release pursuant to clause 6.3 below, each Security Interest created under it is to remain in full force and effect (whether or not at any given time the Grantor is indebted to the Secured Party or any other Beneficiary) until the execution by the Secured Party and delivery to the Grantor of an unconditional release of this document and each Security Document.

6.2 Collateral Security Documents

This document is collateral to each other Security Document. This document and each other

Security Document will be read and construed together so that the Secured Party may exercise any of its rights under any one or more of them separately or concurrently or not at all, and in such order as it chooses.

6.3 Release of Collateral

(a) At the request in writing of the Grantor and at the sole expense of the Grantor, the Secured Party will release the Collateral from this document or the Security Interest created under it if:

(i) all Obligations have been irrevocably paid in full and all commitments which might give rise to Obligations have terminated;

(ii) the Secured Party is satisfied that no amount will subsequently become an Obligation due to an Avoidance; and

(iii) the Secured Party has not enforced the Security Interest under this document pursuant to clause 9.

(b) At the request in writing of the Grantor and at the sole expense of the Grantor, the Secured Party will release any Collateral sold or disposed of in any transaction permitted by the Credit Agreement from this document or the Security Interest created under it to the extent provided, and subject to the terms and conditions set forth, in section 11.9 (*Collateral and Guarantee Matters*) of the Credit Agreement.

7. Representations and warranties

7.1 Representations and warranties

The Grantor represents and warrants to the Secured Party (and for the benefit of the Beneficiaries), except as to matters disclosed by it to the Secured Party and accepted by the Secured Party in writing, that:

(a) (**no trust**) it has not entered into this document and does not hold any of the Collateral as trustee of any trust;

(b) (**details of Grantor**) all information in the 'Details' section of this document is true, correct and complete as at the date of this document and reflects the information contained in the source from which information in relation to the Grantor must be taken for the purposes of the PPS Regulations in order to register a financing statement in respect of any Security Interest in the Collateral;

(c) (**no foreign property**) all the Collateral is situated in Australia;

(d) (**consumer property**) none of the Collateral is consumer property;

(e) (**ownership of Collateral**) it is the sole legal owner and sole beneficial owner of the Collateral, and it will be the sole legal owner and sole beneficial owner of any property or asset it acquires as Collateral, subject always to the interest of the secured party under any Permitted Lien;

(f) (**Security Interests**) the Collateral is free from any Security Interest other than Permitted Liens;

(g) (**no other owners**) there are no shareholders in the Share Issuer other than the Grantor;

(h) (**disclosure of Marketable Securities**) it holds 100% of all issued Marketable Securities in the Share Issuer and there is no agreement, arrangement or understanding under which further Marketable Securities in the Share Issuer may be issued, or called to be issued, to any person other than the Grantor;

(i) (**constitution**) its execution and performance of this document do not and will not conflict with or contravene, and it is not in default under, the constitution of the Share Issuer;

(j) (**issue valid**) the Relevant Marketable Securities have been validly issued and their issue does not contravene the constitution of the Share Issuer, any law or any rule or directive of any Governmental Authority;

(k) (**fully paid**) the Relevant Marketable Securities are fully paid; and

(l) (**no Restriction**) the Relevant Marketable Securities are free from any Restriction other than a Permitted Restriction.

7.2 Repetition

The Grantor repeats each representation and warranty in this clause 7 with reference to the facts and circumstances at the time when representations and warranties are repeated in the Credit Agreement.

7.3 Reliance and survival

The Grantor acknowledges that:

(a) it makes the representations and warranties in this clause 7 with the intention of inducing the Secured Party to enter into the Loan Document and the Secured Party enters into the Loan Documents on the basis of, and in full reliance on, each of the representations and warranties; and

(b) those representations and warranties survive execution and delivery of the Loan Documents and the provision of financial accommodation under them.

8. Undertakings

8.1 General undertakings

The Grantor must:

(a) (**Obligations**) fully and punctually perform, satisfy, or procure the performance or satisfaction of, all of its Obligations at the times and in the way specified in the relevant Loan Documents;

(b) (**details of Grantor**):

(i) without limiting any restrictions contained in the Loan Documents, notify the Secured Party at least 14 days before:

(A) it changes its name;

(B) any ABN, ARBN or ARSN allocated to it changes, is cancelled or otherwise ceases to apply to it (or if it does not have an ABN, ARBN or ARSN, one is allocated, or otherwise starts to apply, to it); and

(C) it becomes a trustee of a trust, or a partner in a partnership, not stated in this document; and

(ii) provide to the Secured Party, on request, a certified copy of each source or source document necessary (in the Secured Party's opinion), for the purposes of the PPS Regulations, to verify the information in the 'Details' section of this document (or any part of it) or to otherwise register one or more financing statements in relation to any Security Interest in the Collateral created by any Loan Document;

(c) (**notify details of or changes relating to Collateral**) notify the Secured Party promptly:

(i) if any Collateral is moved outside Australia;

(ii) on the Secured Party's request, of the present location of any Collateral; and

(iii) on the Secured Party's request, of the details of each Security Interest perfected by control in any of the Grantor's Collateral; and

(d) (**no Event of Default**) ensure that no Event of Default occurs.

8.2 Undertakings relating to Collateral

The Grantor must:

(a) (**compliance with laws**) comply with all laws and requirements of Governmental Authorities in respect of the Collateral;

(b) (**Title Documents**) unless the Secured Party agrees otherwise in writing, deposit with the Secured Party:

(i) all Title Documents relating to the Grantor's interests in the Collateral on execution of this document;

(ii) transfer forms for the Relevant Marketable Securities as specified by the Secured Party, in each case executed by the Grantor as transferor and blank as to the date, consideration and transferee's name;

(c) (**replacement Title Documents**) where title to any Relevant Marketable Securities is evidenced by a certificate, obtain the issue of replacement certificates if the original certificates are lost or destroyed or believed by the Secured Party to be so;

(d) (**protect title**) protect and enforce its title to, and the Secured Party's title as Secured Party and chargee of, the Collateral;

(e) (**perform obligations, Taxes**) pay on time all rates, Taxes, calls for payment, instalments and any other amounts for which it is liable as owner of the Collateral; and

(f) (**maintain value**) not do, allow or omit anything which is likely to lower the value of the Collateral unless permitted by the Credit Agreement.

8.3 Undertakings relating to the Relevant Marketable Securities

The Grantor must:

(a) (**Restrictions**):

(i) comply with the terms of each Permitted Restriction binding on it in respect of the Collateral from time to time;

(ii) not create or permit to exist any Restriction over any Relevant Marketable Securities other than a Permitted Restriction; and

(iii) not release or vary any Permitted Restriction or waive the obligations of another person in relation to a Permitted Restriction;

(b) (**new Collateral**) immediately notify the Secured Party of any Rights, Proceeds or Marketable Securities acquired by or accruing to the Grantor in any company incorporated in Australia (including, for the avoidance of doubt, the Share Issuer), or to which the Grantor becomes entitled, after the date of this document;

(c) (**exercise Rights**) at the Grantor's cost exercise or take up all Rights (other than for Proceeds);

(d) (**delivery of notices, reports**) deliver to the Secured Party, promptly after receipt, a copy of any material report, notice, circular or other document issued to it as holder of any of the Relevant Marketable Securities (including any notice convening a meeting of the holders of the Relevant Marketable Securities); and

(e) (**conversion, change of register**) on request by the Secured Party, do all things necessary to effect (but otherwise not consent to, request or effect without the Secured Party's prior written consent):

(i) a conversion of the title to any Relevant Marketable Securities as to being certificated or uncertificated; or

(ii) a change of register for any Relevant Marketable Securities (including to, from or within an electronic register system) from that on which they are recorded or registered at the date of this document (or if later acquired, the date on which they are recorded or registered).

8.4 Voting powers and Proceeds

(a) Subject to clause 8.4(b), if the Relevant Marketable Securities are not registered in the Secured Party's name and if no Event of Default has occurred and is continuing, the Grantor may do any of the following without the need for consent or direction from the Secured Party:

(i) (**voting powers**) exercise any voting powers it has as holder of the Collateral as it sees fit, provided that it does so prudently and does not otherwise cause or permit a breach of any of the Grantor's other obligations under the Loan Documents; and

(ii) (**Proceeds**) retain and use in the ordinary course of its business any Proceeds (other than Proceeds from a reduction of capital, a buy-back of shares under a buy-back scheme or otherwise under a scheme of arrangement).

(b) If an Event of Default has occurred and is continuing, the rights of the Grantor under clauses 8.4(a)(i) and 8.4(a)(ii) immediately cease, and:

(i) (**voting powers**) the Secured Party is entitled to exercise all voting rights in respect of all of the Collateral to the exclusion of the Grantor; and

(ii) (**Proceeds**) the Grantor must pay over amounts of any Proceeds, or otherwise must ensure that any Proceeds are paid directly, to the Secured Party to be applied in accordance with clause 14.2.

(c) Nothing in this clause 8.4 obliges the Secured Party to vote or exercise other rights in relation to the Collateral or to obtain any Proceeds, and the Secured Party will have no responsibility or liability for any Loss arising due to the Secured Party's failure or delay in so acting.

8.5 Further assurances

The Grantor must do (and must procure that anyone else who has an interest in the Collateral or who claims under or in trust for the Grantor does) whatever the Secured Party reasonably requires to:

(a) better secure the Collateral for payment and performance or satisfaction of the Obligations, and to enable the better exercise of any Power (including the granting of further specific security in the form required by the Secured Party and depositing with the Secured Party documents or evidence of titles and transfers in relation to investment instruments); and

(b) perfect, preserve, maintain, protect, or otherwise give full effect to the Collateral, this document or each Security Interest intended to be created under this document, and the priority of that Security Interest required by the Secured Party,

including:

(c) anything the Secured Party requires in order for it to:

(i) register and maintain (including renew before expiry) one or more financing statements in relation to any Security Interest in Collateral created by any Loan Document;

(ii) remove any financing statement which is registered against the Grantor in relation to any Security Interest which is not a Permitted Lien; or

(iii) obtain possession or control of any Collateral for the purpose of perfecting the Secured Party's Security Interest in that Collateral by possession or control;

(d) providing details of the Collateral and noting the interest of the Secured Party on the share register of the Share Issuer;

(e) procuring that any other person holding a Security Interest in all or any part of the Collateral provides to the Secured Party such information in relation to that Security Interest as the Secured Party may reasonably request;

(f) perfecting or improving the Grantor's title to, or other right or interest in, all or any part of the Collateral;

(g) facilitating the exercise of any right by the Secured Party or any Receiver or Attorney at any time or the realisation of the Collateral following the occurrence of an Event of Default which is continuing, including the exercise of all rights of inspection and taking all necessary copies, which the Grantor is entitled to exercise or take;

(h) paying any Taxes on this document;

(i) executing and delivering to the Secured Party transfer forms in relation to any of the Collateral, undated and blank as to transferee and consideration; and

(j) otherwise enabling the Secured Party to obtain the full benefit of the provisions of any Loan Document.

9. Grantor liability and exclusion of rights

9.1 Principal and independent obligation

Subject to clause 6.2, this document comprises principal and independent obligations of the Grantor and is not ancillary or collateral to, or affected by, any other obligation, Security Interest or Guarantee.

9.2 Grantor's liabilities not affected

The Grantor's liabilities under this document are not affected by any act, omission or other thing which would reduce or discharge those liabilities, including:

(a) a Beneficiary granting time or any other indulgence or concession to a Loan Party or any other person;

(b) a Beneficiary increasing the amount of, opening further accounts in connection with or otherwise varying or replacing the type or terms of, financial accommodation provided to a Loan Party or any other person;

(c) any transaction or agreement, or variation, novation or assignment of a transaction or agreement (including any Loan Document), between a Beneficiary and a Loan Party or any other person;

(d) an Insolvency Event in relation to a Loan Party or any other person, or a Beneficiary becoming a party to or bound by any Liquidation;

(e) any judgment, proceedings or order being obtained or made against a Loan Party or any other person;

(f) an obligation of a Loan Party or any other person or any provision of a Loan Document being void, voidable, unenforceable, defective, released, waived, impaired, novated, enforced or impossible or illegal to perform;

(g) the whole or partial discharge or release of, or the granting of, a Security Document;

(h) any Obligations not being recoverable or the liability of a Loan Party or any other person to a Beneficiary ceasing (including as a result of giving a release or discharge or by law);

(i) the failure of a Loan Party or any other person to execute any Loan Document, properly or at all;

(j) the Grantor not being a party to a Loan Document (such as a Loan Document solely between the Secured Party and a Loan Party);

(k) a Beneficiary exercising or not exercising its rights (including any right to elect to terminate a contract) under a Loan Document or at law against a Loan Party or any other person;

(l) any default, misrepresentation, negligence, breach of contract, misconduct, acquiescence, delay, waiver, mistake, failure to give notice or other action or inaction of any kind (whether or not prejudicial to the Grantor) by a Beneficiary or any other person;

(m) any change to, or in the membership of, any partnership, joint venture or association; or

(n) any Collateral being destroyed, forfeited, extinguished, surrendered or resumed,

whether or not the Grantor, a Loan Party, a Beneficiary or any other person is aware of it or consents to it and despite any legal rule to the contrary.

9.3 Exclusion of subrogation and other rights

Until there are no Obligations, and each Beneficiary is satisfied (acting reasonably) that it will not have to repay any money received by it, the Grantor must not (either directly or indirectly) without the Secured Party's prior written consent:

(a) claim, exercise or attempt to exercise a right of set-off or counterclaim or any other right or raise any defence which might reduce or discharge the Grantor's liability under this document;

(b) claim or exercise a right of subrogation or contribution or otherwise claim the benefit of:

(i) a Security Document or Guarantee relating to the Obligations; or

(ii) any Security Interest or Guarantee which would rank in priority or preference to a Security Document or Guarantee relating to the Obligations,

and any money the Grantor receives in breach of this clause 9.3(b) will be held on trust for each Beneficiary and must be paid promptly to a Beneficiary for the account of each Beneficiary; or

(c) unless expressly permitted in a Loan Document or each Beneficiary has given a direction to do so (in which case it must do so in accordance with the direction as trustee for each Beneficiary):

(i) prove, claim or vote in, or receive the benefit of a distribution, dividend or payment arising out of, the Liquidation of a Loan Party; or

(ii) demand, or accept payment of, any money owed to the Grantor by a Loan Party,

and any such money it receives will be held on trust each Beneficiary and must be paid promptly to a Beneficiary for the account of each Beneficiary.

9.4 Prove in Liquidation

(a) The Grantor, for valuable consideration, irrevocably appoints each of the Secured Party and its Authorised Representatives separately as its attorney to prove in the Liquidation of a Loan Party for all money that the Grantor can claim against that person on any account whatever. The terms of appointment are that the attorney:

(i) must pay to the Grantor dividends it receives in excess of the Obligations, without interest, and any other dividends must be paid to the Secured Party; and

(ii) may delegate its powers (including the power to delegate) to any person for any period and may revoke the delegation.

(b) The Grantor agrees to ratify anything done by an attorney under clause 9.4(a). The power of attorney created under clause 9.4(a) is granted to secure the Grantor's performance of its obligations under each Loan Document to which it is expressed to be a party.

9.5 Variations and replacements

The Grantor acknowledges that the Loan Documents may be varied or replaced from time to time. The Grantor confirms that the Obligations includes any amount payable under any Loan Document which is relevant to the Obligations as varied or replaced. The Grantor confirms that this applies regardless of:

(a) how a Loan Document is varied or replaced;

(b) the reasons for the variation or replacement; and

(c) whether the Obligations decreases or increases or a Loan Document is otherwise more onerous as a result of the variation or replacement.

10. Consequences of Event of Default

10.1 Consequences of Event of Default

If an Event of Default has occurred and is continuing, in addition to all other rights and remedies granted to the Secured Party each Security Interest created under this document will become immediately enforceable.

10.2 Secured Party's general powers

While an Event of Default is continuing, regardless of whether the Secured Party has appointed a Receiver, the Secured Party may, without demand or notice to anyone (unless notice is required as described in clause 19.1), do all things that a secured party with a Security Interest in, or a mortgagee or an absolute owner of, the Collateral can do, and exercise all rights, powers and remedies:

(a) of a secured party with a Security Interest in, or a mortgagee or an absolute owner of, the Collateral;

(b) given to a Receiver under the Corporations Act; and

(c) specified in clause 10.4.

10.3 Secured Party's PPSA powers – sections 123 and 128

Without limiting any other provision of this document, any Security Interest or any other Loan Document, the Grantor agrees that, at any time while an Event of Default is continuing, the Secured Party may:

(a) seize any Collateral; and/or

(b) dispose of any Collateral in such manner and generally on such terms and conditions as the Secured Party thinks desirable,

and otherwise do anything that the Grantor could do in relation to the Collateral.

10.4 Secured Party's specific powers

While an Event of Default is continuing, the Secured Party may do any or all of the following in connection with its Powers, whether in its or the Grantor's name or otherwise and whether or not it has possession of the Collateral:

(a) (**recover, possess and control**) access, recover, manage, take or give up possession or 'control' (within the ordinary meaning of that term and as defined in the PPSA) of, and surrender or release, any Collateral;

(b) (**receive income and profits**) receive the income and profits of the Collateral;

(c) (**insurance**) insure the Collateral and settle and compromise insurance claims;

(d) (**sell, assign or exchange**) sell, assign or help sell all or any Collateral to any person or exchange it for any other property or rights, on terms the Secured Party thinks fit, with or without other property;

(e) (**deposited documents**) complete and deal with any document deposited with the Secured Party relating to any Collateral, including any transfer in blank;

(f) (**options and rights**) grant, acquire, renew, vary, accept the surrender of or terminate an option or other right over the Collateral on the terms it thinks fit, and with or without any other property;

(g) (**hive off**) promote the formation of any company to acquire any Collateral or assume obligations of the Grantor or both;

(h) (**contracts, instruments and rights**) perform or observe the Grantor's obligations or enforce or exercise the Grantor's rights, powers, discretions or remedies (or refrain from doing so) under:

(i) a contract, instrument, arrangement or Marketable Security forming part of the Collateral (including voting and proxy rights); or

(ii) a Loan Document (including to cure an Event of Default) or other document entered into by the Secured Party or a Receiver in exercise of a Power,

and vary, terminate or rescind any of them or novate or otherwise transfer to any person the Grantor's obligations under any of them;

(i) (**Liquidation**) initiate and participate in any Liquidation of any person (including voting at meetings and appointing proxies);

(j) (**proceedings**) commence, prosecute, defend, discontinue, compromise, submit to arbitration and settle proceedings in connection with this document or the Collateral, whether in or before a Governmental Authority;

(k) (**Marketable Securities**) exercise the rights and powers of an absolute owner in connection with Marketable Securities which form part of the Collateral (including voting at meetings and appointing proxies, and effecting conversion of the title to any Marketable Securities as to being certificated or uncertificated);

(l) (**raise money**) obtain financial accommodation (including from a Beneficiary or its

associate) and give Guarantees, in each case with or without granting a Security Interest over the Collateral and regardless of priority ranking;

(m) (**receipts**) give receipts for money and other property it receives;

(n) (**employ and delegate**) employ and discharge staff, professional advisers, consultants, contractors, agents and auctioneers for the purposes of this document, and at the remuneration that the Secured Party thinks fit, and to delegate to any person any of its Powers (including this right of delegation);

(o) (**Authorisations**) apply for any Authorisation which is necessary or desirable in connection with the exercise of a Power; and

(p) (**incidental power**) do anything expedient or incidental to exercise any of its Powers, without limiting those Powers.

10.5 Discharge or acquire prior Security Interest

(a) While an Event of Default is continuing, the Secured Party may do any one or more of the following:

(i) purchase a debt or liability secured by a prior Security Interest (including a debt secured by a Permitted Lien);

(ii) pay the amount required to discharge or satisfy that debt or liability; and

(iii) take a transfer or assignment of that Security Interest and any Guarantee, document or right ancillary or collateral to it.

(b) If the Secured Party exercises its rights under this clause 10.5(a):

(i) the Grantor is indebted to the Secured Party for the same amount paid by the Secured Party or the amount of the debt or liability acquired (whichever is higher) and that amount is immediately payable to the Secured Party and forms part of the Obligations;

(ii) the Secured Party may rely on a written notice from the holder of a prior Security Interest (**Prior Secured Party**), or on an ancillary or collateral document, as to the amount and property secured by that prior Security Interest;

(iii) the Prior Secured Party need not enquire whether any amount is owing under a Loan Document; and

(iv) the Grantor irrevocably directs any such Prior Secured Party to give the Secured Party any information it requires in connection with the prior Security Interest.

10.6 Co-operation in exercise of power of sale

If the Secured Party or a Receiver wishes to exercise a right to sell any Collateral, the Grantor must do or cause to be done all things necessary to enable an expeditious sale and transfer to the purchaser for the value as estimated by the Secured Party, in the manner and on terms the Secured Party thinks fit.

10.7 Appoint Receivers

(a) While an Event of Default is continuing, the Secured Party may do any one or more of the following:

(i) appoint one or more persons (severally, unless specified otherwise in the instrument of appointment) to be a receiver or receiver and manager of all or any of the Collateral;

(ii) fix and vary the Receiver's remuneration at an amount agreed between the Secured Party and the Receiver from time to time;

(iii) terminate a receivership or remove or replace a Receiver; and

(iv) appoint an additional Receiver.

(b) The Secured Party may do any of these things even if a resolution or order for the Grantor's Liquidation has been passed or made.

(c) Each party agrees that if a Receiver is appointed under this document on the basis of an Event of Default which subsequently ceases to continue, the Event of Default is taken to continue for the purposes of the Receiver's appointment under this document.

10.8 Agency of Receiver

To the extent permitted by law, a Receiver is the agent of the Grantor and the Grantor alone is responsible for the Receiver's costs, expenses, remuneration, acts, omissions and defaults. The Secured Party is not liable to the Grantor for the acts or omissions of the Receiver. To the extent that a Receiver is not, or ceases to be, the agent of the Grantor as a result of a resolution or order for the Grantor's Liquidation or by operation of law, the Receiver immediately becomes the agent of the Secured Party.

10.9 Receiver's powers

(a) Unless the terms of a Receiver's appointment say otherwise, the Receiver has the following rights and powers over the Collateral which the Receiver is appointed to:

(i) deal with all the rights, powers, discretions or remedies given by law to mortgagees in possession, receivers or receivers and managers;

(ii) deal with all of the Secured Party's Powers under this document and at law (other than the power to appoint receivers or receivers and managers); and

(iii) obtain financial accommodation from a Beneficiary and give Guarantees on terms that the Receiver considers expedient in connection with the Collateral, in each case whether alone or together with any other person, and with or without granting a Security Interest (regardless of priority ranking) over the Collateral.

(b) The Receiver may exercise the rights and powers under clause 10.9(a) in the name of the Grantor or otherwise.

10.10 Appointment of Attorney

(a) The Grantor for valuable consideration, to secure the performance of the Obligations, irrevocably appoints the Secured Party, each Authorised Representative of the Secured Party and each Receiver separately as its attorney to do any or all of the following on the Grantor's behalf and in the Grantor's or the attorney's name while an Event of Default is continuing:

(i) prove in the Liquidation of a Loan Party;

(ii) anything which the Grantor must do under a Loan Document or under law in connection with a Loan Document;

(iii) anything which the Attorney considers necessary or expedient to give effect to a Power or exercise of a Power, or to perfect any Loan Document, including by signing any document for that purpose; and

(iv) anything which an Attorney is expressly empowered to do under a Loan Document on the Grantor's behalf.

(b) The Grantor agrees to ratify anything done by its Attorney pursuant to the power of attorney granted by the Grantor under clause 10.10(a). An Attorney may delegate its powers (including the power to delegate) to any person for any period and may revoke the delegation.

11. Costs and expenses

11.1 Costs and expenses

The Grantor agrees to pay all costs and expenses set out in section 10.3 (*Payment of Costs and Expenses*) and Section 10.4 (*Indemnification*) of the Credit Agreement as if each reference to:

(a) 'Borrower' were to the Grantor;

(b) 'Administrative Agent' and 'Lender' includes a reference to the Secured Party (including, for the avoidance of doubt, so that the Secured Party would be an 'Indemnified Party' under the Credit Agreement);

(c) 'Collateral' includes any Collateral defined under this document; and

(d) 'this Agreement' includes this document.

11.2 PPSA expenses

Without limiting clause 11.1 above, the Grantor must pay or reimburse on demand by the Secured Party all reasonable costs and expenses of a Beneficiary, a Receiver and an Attorney (and any of their respective officers, employees and agents) in connection with:

(a) the negotiation, preparation, execution, delivery, registration and completion of, and payment of Taxes (including stamp duty) on, the Loan Documents;

(b) preparing, registering and maintaining any financing statement or financing change statement (including pursuant to section 167 of the PPSA); and

(c) complying with any amendment demand in accordance with Part 5.6 of the PPSA.

This includes legal costs and expenses (on a full indemnity basis) and any professional consultant's fees.

11.3 Enforcement and other expenses

Without limiting clause 11.1 above, the Grantor must pay or reimburse on demand by the Secured Party all costs and expenses of the a Beneficiary, a Receiver and an Attorney (and any of their respective officers, employees and agents) in connection with:

(a) enforcing a Loan Document, or exercising, enforcing or protecting a Power, or attempting to do so;

(b) obtaining or receiving payment of, and distributing, any Obligations;

(c) a breach of, obtaining or procuring performance or satisfaction of the Obligations;

(d) a Default or Event of Default;

(e) any Governmental Authority enquiry concerning the Grantor or any of its Affiliates, or the involvement of a Beneficiary in the Loan Documents; and

(f) maintaining, preserving or protecting the Collateral.

This includes any legal costs and expenses (on a full indemnity basis) and any professional consultant's fees.

11.4 Costs and expenses of Grantor

The Grantor will pay its own costs and expenses in connection with this document.

12. Interest on overdue amounts

12.1 Accrual and calculation

Unless another Loan Document already obliges the Grantor to pay interest on an unpaid amount that is due and payable by it under a Loan Document, interest on that overdue amount (including on unpaid interest under this clause 12) will accrue daily:

(a) from and including the due date (or, for an amount payable by reimbursement or indemnity, any earlier date the amount was incurred), up to but excluding the date of actual payment; and

(b) subject to clause 12.2, at the Default Rate.

12.2 Judgment or order

If the Grantor's liability under a Loan Document is the subject of a judgment or order:

(a) its obligation to pay interest under clause 12.1 is separate from, and continues despite, the judgment or order; and

(b) the interest accrues both before and after judgment at the higher of the Default Rate and the rate payable under that judgment or order.

12.3 Payment

The Grantor must pay to the Secured Party accrued interest under this clause 12 on the last

Business Day of each calendar month and on demand.

13. Payments

All payments by the Grantor under this document must be made:

(a) in accordance with the other Loan Documents; and

(b) if no date for payment is specified in another Loan Document, on demand by the Secured Party.

14. Receipt of money and application

14.1 Credit of received payment

The Grantor is only credited with a payment of the Obligations from the date of actual receipt in cleared funds by the relevant Beneficiary (whether received from the Grantor or a Receiver).

14.2 Applying or appropriating money received

(a) Subject to the Security Trust Deed, the Secured Party may apply or appropriate all money received under this document (even if insufficient to discharge all of the Grantor obligations at that time) to reduce the Obligations in the order, and to satisfy any part of the Obligations, as the Secured Party sees fit (including as between principal, interest and other amounts owing to the Secured Party and including so as to enable the Secured Party to preserve any purchase money security interest) provided that no application or appropriation may be made by the Secured Party where the relevant application or appropriation would not be permitted to be made by the Administrative Agent under any Loan Document if the money had been received by the Administrative Agent.

(b) An application or appropriation by the Secured Party will override any appropriation made by the Grantor unless the Grantor is entitled to make the appropriation under the terms of any Loan Document. For the purposes of section 14(6)(a) of the PPSA, this clause 14.2 constitutes the method of payment application agreed by the parties.

14.3 Suspense account

(a) The Secured Party may credit money received in or towards satisfaction of the Obligations (including dividends received in any Liquidation) to a suspense account. The Secured Party may keep the money in that account for as long as, and at whatever interest rate, the Secured Party thinks fit. The Secured Party may apply the money (including interest) to reduce the Obligations whenever the Secured Party thinks fit.

(b) If the Obligations have been fully and finally paid or discharged and the Secured Party is satisfied that such payment or discharge is not liable to be set aside, avoided or reversed, then the balance standing to the credit of the suspense account and any accrued interest must be paid to or for the account of the Grantor and the Secured Party will not have any further liability in relation to it.

14.4 Surplus proceeds

If the Secured Party, a Receiver or an Attorney (as the case may be) holds any surplus money after:

(a) payment of the Obligations in full and the application of proceeds in accordance with clause 14.2; and

(b) the making of all payments that the Secured Party, Receiver or Attorney has the right or obligation to make under the Loan Documents or at law,

then:

(c) no trust arises, or interest accrues, over that surplus money; and

(d) each Beneficiary, Receiver or Attorney may pay that money to an account in the name of the Grantor with any bank, in which case each Beneficiary, Receiver or Attorney will have no further liability in relation to that money.

15. Statutory powers and notices

15.1 Exclusion of PPSA provisions

To the extent the law permits:

(a) for the purposes of sections 115(1) and 115(7) of the PPSA:

(i) the Secured Party need not comply with sections 95, 118, 121(4), 125, 130, 132(3)(d) or 132(4); and

(ii) sections 142 and 143 are excluded;

(b) for the purposes of section 115(7) of the PPSA, the Secured Party need not comply with sections 132 and 137(3);

(c) if the PPSA is amended after the date of this document to permit the Grantor and the Secured Party to agree to not comply with or to exclude other provisions of the PPSA, the Secured Party may notify the Grantor that any of these provisions is excluded, or that the Secured Party need not comply with any of these provisions, as notified to the Grantor by the Secured Party; and

(d) the Grantor agrees not to exercise its rights to make any request of the Secured Party under section 275 of the PPSA, to authorise the disclosure of any information under that section or to waive any duty of confidence that would otherwise permit non - disclosure under that section.

15.2 Exercise of rights by Secured Party

If the Secured Party exercises a Power in connection with this document, that exercise is taken not to be an exercise of a right, power or remedy under the PPSA unless the Secured Party states otherwise at the time of exercise. However, this clause does not apply to a Power which can only be exercised under the PPSA.

15.3 No notice required unless mandatory

(a) To the extent the law permits, the Grantor waives:

(i) its rights to receive any notice that is required by:

(A) any provision of the PPSA (including a notice of a verification statement); or

(B) any other law before a secured party or Receiver exercises a Power; and

(ii) any time period that must otherwise lapse under any law before a secured party or Receiver exercises a Power.

(b) If the law which requires a period of notice or a lapse of time cannot be excluded, but the law provides that the period of notice or lapse of time may be agreed, that period or lapse is one day or the minimum period the law allows to be agreed (whichever is the longer).

(c) However, nothing in this clause prohibits the Secured Party or any Receiver from giving a notice under the PPSA or any other law.

15.4 Appointment of nominee for registration

For the purposes of section 153 of the PPSA, the Secured Party appoints the Grantor as its nominee, and authorises the Grantor to act on its behalf, in connection with a registration under the PPSA of any security interest in favour of the Grantor which is:

(a) evidenced or created by chattel paper;

(b) perfected by registration under the PPSA; and

(c) transferred to the Secured Party under this document.

This authority ceases when the registration is transferred to the Secured Party.

15.5 Other rights

Where the Secured Party has Powers in addition to, or existing separately from, those in Chapter 4 of the PPSA, those Powers will continue to apply and are not limited or excluded (or otherwise adversely affected) by the PPSA. This is despite clause 15.1 or any other provision of a Loan Document.

16. Assignment

16.1 By Grantor

The Grantor may not assign, transfer or otherwise deal with its rights, interests or obligations under this document without the Secured Party's prior written consent.

16.2 Change in security trustee

The Grantor agrees that:

(a) the Secured Party may assign its rights and novate or otherwise transfer its obligations under this document to any replacement or successor security trustee that is appointed in accordance with the Security Trust Deed (**New Security Trustee**); and

(b) if requested, it will enter in to a novation deed with the Secured Party and any New Security Trustee in a form acceptable to the Secured Party and the New Security Trustee.

16.3 Assistance

The Grantor agrees to do or execute anything reasonably requested by the Secured Party to effect an assignment, transfer, novation or other dealing under this clause 16.

17. Notices, demands and communications

Clause 14 (*Notices, demands and communications*) of the Security Trust Deed applies to the giving of any notice, demand, consent, approval or communication in connection with this document.

18. Protection of third parties

18.1 Receipt of Secured Party, Receiver

A receipt given by a Beneficiary (or its Authorised Representative), a Receiver or an Attorney for any money payable to it, or any asset receivable by it, relieves the person paying that money or delivering the asset from all liability to enquire as to the dealing with, or application of, that money or asset.

18.2 Third parties need not enquire

A person dealing with a Beneficiary, a Receiver or an Attorney is protected from any impropriety or irregularity of that dealing, and need not enquire whether:

(a) any of them has been properly appointed or has executed or registered an instrument or exercised a Power properly or with authority; or

(b) any Obligation has become due, a Loan Document is enforceable or a default or event of default (however described) has occurred under a Loan Document.

19. Protection of Secured Party, Receiver and Attorney

19.1 Notice, demand or lapse of time required by law

If a notice, demand or lapse of time is required by law before a Beneficiary can exercise a Power, then for the purposes of this document:

(a) that notice, demand or lapse of time is dispensed with to the extent allowed by that law; or

(b) if not allowed to be dispensed with, but the period of notice, demand or lapse of time is allowed by that law to be shortened or fixed, it is shortened and fixed to one day.

19.2 Secured Party and Receiver not restricted

A Beneficiary or a Receiver need not:

(a) exercise a Power, give a consent or make a decision under this document unless a Loan Document expressly provides otherwise; or

(b) resort to a Security Document or Power before resorting to any other of them.

19.3 Secured Party, Receiver and Attorney not mortgagee in possession or liable

To the extent permitted by law, a Beneficiary, a Receiver and any Attorney will:

(a) not be, nor account or be liable as, mortgagee in possession due to exercise of a Power; or

(b) not be liable to anyone for any Loss in relation to an exercise or attempted exercise of a Power, or a failure or delay in exercising a Power, except for its own gross negligence, fraud or wilful default.

19.4 Secured Party may set off

At any time while an Event of Default is continuing, the Secured Party may, without any demand or notice, set off and apply indebtedness it owes to the Grantor (whatever the currency) against any money owing to it by the Grantor under any Security Trustee Document, whether or not the amount owed by the Secured Party or the Grantor is immediately payable or is owed alone or with any other person. The Grantor irrevocably authorises the Secured Party to do anything necessary (including to sign any document and effect appropriate currency exchanges) for that purpose.

19.5 Reinstating avoided transaction

(a) The Grantor agrees that if a payment or other transaction relating to the Obligations is void, voidable, unenforceable or defective for any reason or a related claim is upheld, conceded or settled (each an **Avoidance**), then even though the Secured Party knew or should have known of the Avoidance:

(i) each Power and the Grantor's liability under each Loan Document will be what it would have been, and will continue, as if the payment or transaction the subject of the Avoidance had not occurred; and

(ii) the Grantor will immediately execute and do anything required by the Secured Party to restore the Secured Party to its position immediately before the Avoidance (including reinstating any Loan Document).

(b) This clause 19.5 survives any termination or full or partial discharge or release of any Loan Document.

19.6 Authorised Representatives and communications

The Grantor irrevocably authorises the Beneficiaries to rely on a certificate by any person purporting to be its director or company secretary as to the identity and signatures of its Authorised Representatives, and to rely on any Notice or other document contemplated by any Loan Document which bears the purported signature (whether given by facsimile or otherwise) of its Authorised Representative. The Grantor warrants that those persons have been authorised to give notices and communications under or in connection with the Loan Documents.

19.7 Secured Party's opinion

An opinion or view of the Secured Party for the purposes of this document may be formed or held on its behalf by its Authorised Representative, its board of directors or by any other person it authorises to act on its behalf in relation to the Loan Documents.

20. General provisions

20.1 Consideration

The Grantor acknowledges entering this document in return for the Secured Party and the other Beneficiary entering into the Loan Documents, the transactions contemplated by those documents and other valuable consideration.

20.2 Prompt performance

If a time is not specified for the performance by the Grantor of an obligation under this document, it must be performed promptly.

20.3 Performance of Grantor's obligations by Secured Party

The Secured Party may do anything which the Grantor fails to do as required by, or in accordance with, this document. This does not limit or exclude the Secured Party's Powers in any way.

20.4 Powers

Powers under the Loan Documents are cumulative and do not limit or exclude Powers under law. Full or partial exercise of a Power does not prevent a further exercise of that or any other Power. No failure or delay in exercising a Power operates as a waiver or representation. Unless expressly provided in a Loan Document, no Power or Loan Document merges in, limits or excludes any other Power, Loan Document or judgment which the Secured Party or a Receiver (or anyone claiming through it) may have or obtain.

20.5 Consent and waivers

A consent or waiver by the Secured Party or a Receiver in relation to this document is effective only if in writing. If given subject to conditions, the consent or waiver only takes effect subject to compliance with those conditions to the Secured Party's or Receiver's satisfaction.

20.6 Indemnities and reimbursement obligations

The Secured Party or a Receiver need not incur an expense or make a payment before enforcing an indemnity or reimbursement obligation in a Security Trustee Document. Unless otherwise stated, each such indemnity or reimbursement obligation is separate and independent of each other obligation of the party giving it, is absolute, irrevocable, unconditional and payable on demand and continues despite any settlement of account, termination of any Security Trustee Document or anything else.

20.7 Notices or demands as evidence

A notice or certificate from or demand by the Secured Party stating that an Event of Default has occurred, or that a specified sum of money is owing or payable under a Security Trustee Document or stating any other fact or determination relevant to the rights or obligations of the Secured Party or the Grantor under a Loan Document, is taken to be correct unless proved incorrect.

20.8 Law and legislation

To the extent permitted by law:

(a) each Loan Document to which the Grantor is expressed to be a party prevails to the extent of inconsistency with any law; and

(b) any present or future legislation operating to reduce the Grantor's obligations under a Loan Document or the effectiveness of the Powers is excluded.

20.9 Severability

A provision of this document that is illegal, invalid or unenforceable in a jurisdiction is ineffective in that jurisdiction to the extent of the illegality, invalidity or unenforceability. This does not affect the validity or enforceability of that provision in any other jurisdiction, nor the remainder of this document in any jurisdiction.

20.10 Variation

A variation of this document must be in writing and signed by or on behalf of each party to it.

20.11 Governing law – security agreement

This document is governed by the laws of New South Wales, Australia.

20.12 Governing law – Security Interest

(a) Subject to paragraph (b), each Security Interest created under this document is governed by the laws of New South Wales, Australia.

(b) Paragraph (a) does not apply to the extent that a Security Interest is created under this document in any personal property described in section 237(2) of the PPSA, in which case the law determined by the PPSA will govern the Security Interest in that property.

20.13 Jurisdiction

Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia (and any court of appeal) and waives any right to object to an action being brought in those courts, including on the basis of an inconvenient forum or those courts not having jurisdiction.

20.14 Service of process

(a) Without preventing any other mode of service, any document in an action or process may be served on any party by being delivered to or left for that party at its address for service of Notices under this document.

(b) The Grantor appoints the Share Issuer as its agent to accept service of process under or in connection with this document, and the Share Issuer accepts the appointment. The appointment may not be revoked without the Secured Party's consent.

20.15 Counterparts

(a) This document may be executed in any number of counterparts or copies, each of which may be executed by physical signature in wet ink or electronically (whether in whole or part). A party who has executed a counterpart of this document may exchange it with another party (the **Recipient**) by:

(i) emailing a copy of the executed counterpart to the Recipient; or

(ii) utilising an electronic platform (including DocuSign) to circulate the executed counterpart,

and will be taken to have adequately identified themselves by so emailing the copy to the Recipient or utilising the electronic platform.

(b) Each party consents to signatories and parties executing this document by electronic means and to identifying themselves in the manner specified in this clause.

(c) Each counterpart constitutes an original (whether kept in electronic or paper form), all of which together constitute one instrument as if the signatures (or other execution markings) on the counterparts or copies were on a single physical copy of this document in paper form. Without limiting the foregoing, if any of the signatures or other markings on behalf of one party are on different counterparts or copies of this document, this shall be taken to be, and have the same effect as, signatures on the same counterpart and on a single copy of this document.

Schedule 1 – Relevant Marketable Securities

Shares

Grantor (who holds shares in a Share Issuer)	Share Issuer	Relevant Marketable Securities
AVITA Medical, Inc.	AVITA Medical Pty Limited ACN 058 466 523	100% of the issued capital of the Share Issuer, which as at the date of this document consists of 2,146,791,155 shares fully paid to A$332,772,448.08 value, together with all other shares in the Share Issuer legally or beneficially owned by the Grantor from time to time.

Signing pages

EXECUTED as a deed.

Each signatory executing this document (electronically or otherwise) intends by that execution to be bound by this document, and where the signatory has signed as *an officer or attorney of a party, for that party to be bound by this document. Each attorney signing this document under a power of attorney certifies, by the attorney's signature, that the attorney has no notice of the revocation of the power of attorney.*

Grantor

Signed sealed and **delivered by AVITA Medical, Inc.** in the presence of

/s/ Lydia Martinez	/s/ James Corbett
Signature of Witness	Signature of authorised signatory
Lydia Martinez	James Corbett
Name of Witness	Name of authorised signatory

Secured Party

Signed sealed and delivered by ORCO IV LLC in the presence of

/s/ Brendan Weber	/s/ W. Carter Neild
Signature of Witness	Signature of authorised signatory
Brendan Weber	W. Carter Neild
Name of Witness	Name of authorised signatory

Execution version

General security deed

AVITA

—

AVITA Medical Pty Limited (**Grantor**)

ORCO IV LLC (**Secured Party**)

—

3rd Floor Randall House 6 Dowgate Hill
London EC4R 2SU United Kingdom
T +44 20 7429 2780 F +44 20 7429 2788
minterellison.com

General security deed

AVITA

Details

Date **11 December 2023**

Parties

Name **AVITA Medical Pty Limited**
ACN 058 466 523
Short form name **Grantor**
Notice details Address: Level 7, 330 Collins Street, Melbourne, Victoria 3000 Email: Lou.Panaccio@cpwcapital.net.au
Attention: Lou Panaccio

Name **ORCO IV LLC**, a Delaware limited liability company
Capacity As trustee of the trust established under the Security Trust Deed Short form name **Secured Party**
Notice details c/o OrbiMed Advisors LLC
601 Lexington Avenue, 54th Floor
New York, NY 10022
Attention: OrbiMed Credit Reporting
Email:
RoSCreditOps@OrbiMed.com

Background

A The Grantor agrees to grant the Secured Party a security interest in the Collateral to secure payment and performance of the Obligations.

B The Grantor does this in return for the Secured Party and the other Beneficiaries entering into the Loan Documents, the transactions contemplated by those documents and other valuable consideration.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms from Credit Agreement

Terms defined in (or incorporated by reference to) the Credit Agreement (as defined below) have the same meanings when used in this document unless otherwise defined in this document. Parties to the Credit Agreement referred to by short form name in this document are more fully described in the Credit Agreement.

1.2 Other defined terms

In this document:

A$ means the lawful currency of Australia.

Affiliate has the meaning given to that term in the Security Trust Deed.

Attorney means an attorney appointed by the Grantor under this document.

Authorisation means any consent, authorisation, registration, filing, agreement, notarisation, certificate, permit, licence, approval, authority or exemption of, from or required by, a Governmental Authority or required by law. Where intervention or action of a Governmental Authority within a specified period would fully or partly prohibit or restrict something by law, **Authorisation** includes the expiry of that period without that intervention or action.

Authorised Representative has the meaning given to that term in the Security Trust Deed.

Avoidance has the meaning given to that term in clause 19.5.

Beneficiary has the meaning given to that term in the Security Trust Deed, but also includes the Secured Party in any capacity.

Borrower means AVITA Medical, Inc., a Delaware Corporation.

Collateral means all the Grantor's present and future property of any kind. It includes anything in respect of which the Grantor has at any time a sufficient right, interest or power to grant a security interest.

Collection Account means the account established under clause 8.3.

Control Event means:

(a) in respect of any Collateral that is, or would have been, a Revolving Asset:

(i) the Grantor breaches, or attempts to breach clause 4.1 in respect of the Collateral or takes any step which would result in it doing so; or

(ii) a person takes a step (including signing a notice or direction) which may result in Taxes, or an amount owing to an authority, ranking ahead of the security interest in the Collateral under this document; or

(iii) distress is levied or a judgment, order or Security Interest is enforced or a creditor takes any step to levy distress or enforce a judgment, order or Security Interest, over the Collateral; or

(iv) the Secured Party gives a notice to the Grantor that the Collateral is not a Revolving Asset (however, the Secured Party may only give a notice if the Secured Party reasonably considers that it is necessary to do so to protect its rights under this document or if an Event of Default has occurred and is continuing); or

(b) in respect of all Collateral that is or would have been Revolving Assets:

(i) a voluntary administrator, liquidator or provisional liquidator is appointed in respect

of the Grantor or the winding up of the Grantor begins; or

(ii) a receiver, receiver and manager or controller is appointed to any of the Grantor's property; or

(iii) something having a substantially similar effect to paragraph (i) or (ii) happens in respect of the Grantor or its assets under any law.

Credit Agreement has the meaning given to that term in the Security Trust Deed.

Default Rate has the meaning given to that term in the Credit Agreement.

Event of Default has the meaning given to that term in the Credit Agreement.

Governmental Authority has the meaning given to that term in the Credit Agreement.

Guarantee has the meaning given to that term in the Security Trust Deed.

Insolvency Event has the meaning given to that term in the Security Trust Deed.

Investment Document has the meaning given to that term in the Credit Agreement.

Lease means any arrangement whereby an asset may be used, occupied, operated or managed by a person other than the owner. It includes a lease, licence, charter, hire purchase or hiring arrangement.

Liquidation has the meaning given to that term in the Security Trust Deed.

Loan Document has the meaning given to that term in the Security Trust

Deed. **Loan Party** has the meaning given to that term in the Security Trust

Deed.

Loss has the meaning given to that term in the Security Trust Deed.

Marketable Security means:

(a) a 'marketable security' (as defined in the Corporations Act);

(b) a negotiable instrument (within the ordinary meaning of that term);

(c) a unit or other interest in a trust or partnership; and

(d) a right or an option in respect of any of the above, whether issued or unissued.

Non-Transfer Collateral means any account or chattel paper which is located, or taken to be located, in Western Australia for the purposes of the *Duties Act 2008* (WA), other than trade debts.

Notice has the meaning given to that term in the Security Trust Deed.

Obligations has the meaning given to that term in the Security Trust Deed.

Permitted Lien means each Lien (as defined in the Credit Agreement) permitted by section 8.3 (*Liens*) of the Credit Agreement.

Power means any right, power, discretion or remedy of the Secured Party, a Beneficiary, a Receiver or an Attorney under any Loan Document or applicable law.

PPS Law has the meaning given to that term in the Security Trust Deed.

PPS Regulations has the meaning given to that term in the Security Trust Deed.

PPSA has the meaning given to that term in the Security Trust Deed.

Real Property means all of the Grantor's present and future estates and interests in freehold and leasehold land and in all buildings, structures and fixtures from time to time on that land.

Receiver means a receiver or receiver and manager appointed under this document.

Records means, in relation to a person, all information relating in any way to that person's business or any transaction entered into by the person, whether recorded electronically, magnetically or otherwise.

Revolving Asset means any Collateral:

(a) which is:

(i) inventory (within the ordinary meaning of that term);

(ii) a negotiable instrument (within the ordinary meaning of that term); or

(iii) money (including money withdrawn or transferred to a third party from an account of the Grantor with a bank or other financial institution); and

(b) in relation to which no Control Event has occurred, subject to clause 4.4.

Security Document has the meaning given to that term in the Security Trust

Deed. **Security Interest** has the meaning given to that term in the Security Trust

Deed. **Security Trust** has the meaning given to that term in clause 2.1.

Security Trust Deed means the document titled '*Security trust deed – AVITA Security Trust*' between, amongst others, the Secured Party, the Grantor and others dated on or about the date of this document.

Security Trustee Documents has the meaning given to that term in the Security Trust Deed.

Serial Numbered Property means personal property that may or must be described by serial number in a financing statement under the PPSA or the PPS Regulations whether or not the Serial Numbered Property has been issued a serial number by IP Australia.

Title Documents means each certificate, confirmation, grant, assurance, conveyance, deed and other document of title or evidencing title to, or rights to acquire, possess, use or dispose of, any Collateral.

1.3 PPSA terms incorporated

In this document, unless the context requires otherwise and except when used in the definition of 'Revolving Asset' in clause 1.2, the following words and expressions (and grammatical variations of them) have the same meanings given to them in the PPSA or the PPS Regulations (as applicable): **accession**, **ADI**, **advance**, **after-acquired property**, **amendment demand**, **attach**, **chattel paper**, **commercial consignment**, **consumer property**, **control, documents of title**, **financing change statement**, **financing statement**, **future advance**, **goods**, **inventory**, **investment instrument**, **land**, **negotiable instrument**, **personal property**, **purchase money security interest**, **serial number** and **verification statement**.

1.4 Interpretation

(a) The provisions of clause 1.3 (*Interpretation*) of the Security Trust Deed are incorporated in, and apply to, this document as if set out in full with any necessary amendments.

(b) In this document to '**grant a security interest**' includes to charge, mortgage, pledge, encumber, assign by way of security and transfer by way of security.

1.5 Security Agreement, Loan Document and General Security Deed

The parties agree that this document is:

(a) a 'Security Agreement' and 'Loan Document' for the purposes of the Credit Agreement; and

(b) the 'General Security Deed' referred to in the Security Trust Deed.

2. Secured Party's limit on liability

2.1 Capacity and acts

The Secured Party enters into this document only in its capacity as trustee of the trust established under the Security Trust Deed (**Security Trust**) and in no other capacity. Each other party

acknowledges that under the terms of the Security Trust Deed, the Secured Party:

(a) holds the benefit of this document for the Beneficiaries from time to time; and

(b) is bound to act on the instructions of the Beneficiaries, and is not bound to act without instructions or where the Security Trust Deed otherwise provides that the Secured Party is not bound to act.

2.2 Duties and responsibilities limited

The Secured Party's obligations, duties and responsibilities under or in connection with this document are limited to those expressly set out in the Security Trust Deed and this document.

2.3 Benefit and survival

Clause 2 applies for the benefit of the Secured Party's officers and agents and will survive termination of this document.

3. Grant of security

3.1 Security interest and charge

(a) The Grantor grants a security interest in the Collateral to the Secured Party (for the benefit of the Beneficiaries) to secure payment and performance of the Obligations.

(b) For the purposes of section 20(2)(b) of the PPSA (but without limiting the meaning of 'Collateral' in this document), this security interest is taken in all the Grantor's present and after-acquired property.

(c) This security interest is a transfer by way of security of Collateral consisting of accounts and chattel paper (each as defined in the PPSA) which are not, or cease to be, Revolving Assets, other than any Non-Transfer Collateral.

(d) To the extent any Collateral is not transferred, this security interest is a charge. If for any reason it is necessary to determine the nature of this charge, it is a floating charge over Revolving Assets and a fixed charge over all other Collateral.

3.2 Continuing security and obligations

Each Security Interest granted under this document is a continuing security until the Secured Party releases all Collateral from the Security Interest, despite any intermediate payment, discharge, settlement, release or other matter. The Grantor's obligations under this document continue despite any full or partial release of the Collateral and no full or partial release of Collateral will release the Grantor from personal liability under this document until all the Obligations have in fact been received by the Secured Party and are not liable to be disgorged.

4. Dealings with Collateral

4.1 Restricted dealings

The Grantor must not do, or agree to do, any of the following except as permitted by clause 4.2 or the Credit Agreement:

(a) create or allow another interest (including without limitation any Security Interest) in any Collateral; or

(b) dispose, or part with possession, of any Collateral.

4.2 Permitted dealings

The Grantor may do any of the following in the ordinary course of the Grantor's ordinary business unless it is prohibited from doing so by another provision in a Loan Document:

(a) create or allow another interest in, or dispose or part with possession of, any Collateral which is a Revolving Asset; or

(b) withdraw or transfer money from an account with a bank or other financial institution.

4.3 Revolving Assets

If a Control Event occurs in respect of any Collateral then automatically:

(a) that Collateral is not (and immediately ceases to be) a Revolving Asset;

(b) any floating charge over that Collateral immediately operates as a fixed charge;

(c) if the Collateral is accounts or chattel paper (and excluding any Non-Transfer Collateral), it is transferred to the Secured Party by way of security; and

(d) the Grantor may no longer deal with the Collateral under clause 4.2.

4.4 Conversion to Revolving Assets

If any Collateral is not, or ceases to be, a Revolving Asset, and becomes subject to a fixed charge or transfer under this clause 4, the Secured Party may give the Grantor a notice stating that, from a date specified in the notice, the Collateral specified in the notice is a Revolving Asset, or becomes subject to a floating charge or is transferred back to the Grantor. This may occur any number of times.

4.5 Inventory

Any inventory which is not, or ceases to be, a Revolving Asset is specifically appropriated to a security interest under this document. The Grantor may not remove it without obtaining the specific and express authority of the Secured Party to do so.

5. Priority

5.1 Priority of Security Interest in Collateral

(a) The parties intend that each Security Interest created under this document:

(i) takes priority over all other Security Interests and other interests in the Collateral at any time other than any Permitted Lien as agreed in writing by the Secured Party as having priority or as mandatorily preferred by law; and

(ii) has the same priority in relation to all Obligations, including future advances.

(b) Nothing in this clause 5.1 restricts the Secured Party from claiming that a Security Interest granted under this document is a purchase money security interest in respect of all or part of the Collateral.

5.2 No agreement or consent to subordination, attachment or accessions

Nothing in this document may be construed as an agreement or consent by the Secured Party to:

(a) (**subordination**) subordinate a Security Interest created under this document in favour of any person;

(b) (**security**) any Security Interest other than any Permitted Lien attaching to or being created in any Collateral;

(c) (**deferral of attachment**) defer or postpone the date of attachment of a Security Interest created under this document in any Collateral;

(d) (**accessions to Collateral**) any personal property becoming an accession to any Collateral; or

(e) (**accessions to non-Collateral**) any Collateral becoming an accession or affixed to any asset that is not Collateral.

5.3 Contrary agreements

This clause 5 is subject to any express written agreement to the contrary between the parties, including the overriding provisions of any subordination and/or priority agreement entered into by

the Secured Party in respect of any other holder of security.

6. General security provisions

6.1 Security continuing and independent

(a) Each of this document, each Security Interest created under it and each other Security Document is in addition to and enforceable independently of any other Security Interest, Guarantee or Security Document.

(b) Each of this document and, subject to any release pursuant to clause 6.3 below, each Security Interest created under it is to remain in full force and effect (whether or not at any given time the Grantor is indebted to the Secured Party or any other Beneficiary) until the execution by the Secured Party and delivery to the Grantor of an unconditional release of this document and each Security Document.

6.2 Collateral Security Documents

This document is collateral to each other Security Document. This document and each other Security Document will be read and construed together so that the Secured Party may exercise any of its rights under any one or more of them separately or concurrently or not at all, and in such order as it chooses.

6.3 Release of Collateral

(a) At the request in writing of the Grantor and at the sole expense of the Grantor, the Secured Party will release the Collateral from this document or the Security Interest created under it if:

(i) all Obligations have been irrevocably paid in full and all commitments which might give rise to Obligations have terminated;

(ii) the Secured Party is satisfied that no amount will subsequently become an Obligation due to an Avoidance; and

(iii) the Secured Party has not enforced the Security Interest under this document pursuant to clause 9.

(b) At the request in writing of the Grantor and at the sole expense of the Grantor, the Secured Party will release any Collateral sold or disposed of in any transaction permitted by the Credit Agreement from this document or the Security Interest created under it to the extent provided, and subject to the terms and conditions set forth, in section 11.9 (*Collateral and Guarantee Matters*) of the Credit Agreement.

7. Representations and warranties

7.1 Representations and warranties

The Grantor represents and warrants to the Secured Party (and for the benefit of the Beneficiaries), except as to matters disclosed by it to the Secured Party and accepted by the Secured Party in writing, that:

(a) (**no trust**) it has not entered into this document and does not hold any of the Collateral as trustee of any trust;

(b) (**details of Grantor**) all information in the 'Details' section of this document is true, correct and complete as at the date of this document;

(c) (**no Real Property**) as at the date of this document, it does not own any Real Property;

(d) (**Serial Numbered Property**):

(i) the information in Schedule 2 is, at the date of this document, true and correct and includes the details of all of the Grantor's Serial Numbered Property which is material to the Grantor's business; and

(ii) the information provided as a consequence of:

(A) the Grantor's obligation under clause 8.1(c)(iii); or

(B) the Secured Party's request under clause 8.2(d)(ii),

is true and correct and includes all the details of such Serial Numbered Property necessary under the PPSA (or any foreign law in the jurisdiction in which the property is granted which provides for the public registration or recording of the security interest, or of a notice relating to the security interest, if possible) to perfect the relevant Security Interest in respect of such Serial Numbered Property;

(e) (**consumer property**) none of its Collateral is consumer property;

(f) (**ownership of Collateral**) it is the sole legal owner and sole beneficial owner of the Collateral, and it will be the sole legal owner and sole beneficial owner of any property or asset it acquires as Collateral, subject always to the interest of:

(i) any owner or lessor of any personal property in respect of which the Grantor has an interest as buyer, lessee or bailee or which the Grantor receives as a commercial consignment; and

(ii) the secured party under any Permitted Lien; and

(g) (**Security Interests**) the Collateral is free from any Security Interest other than Permitted Liens.

7.2 Repetition

The Grantor repeats each representation and warranty in this clause 7 with reference to the facts and circumstances at the time when representations and warranties are repeated in the Credit Agreement.

7.3 Reliance and survival

The Grantor acknowledges that:

(a) it makes the representations and warranties in this clause 7 with the intention of inducing the Secured Party to enter into the Loan Document and the Secured Party enters into the Loan Documents on the basis of, and in full reliance on, each of the representations and warranties; and

(b) those representations and warranties survive execution and delivery of the Loan Documents and the provision of financial accommodation under them.

8. Undertakings

8.1 General undertakings

The Grantor must:

(a) (**Obligations**) fully and punctually perform, satisfy, or procure the performance or satisfaction of, all of its Obligations at the times and in the way specified in the relevant Loan Documents;

(b) (**details of Grantor**):

(i) without limiting any restrictions contained in the Loan Documents, not change any of its details as set out in the 'Details' section of this document without giving the Secured Party 14 days' prior written notice; and

(ii) provide to the Secured Party, on request, a certified copy of each source or source document necessary (in the Secured Party's opinion), for the purposes of the PPS Regulations, to verify the information in the 'Details' section of this document (or any part of it) or to otherwise register one or more financing statements in relation to any Security Interest in Collateral created by any Loan Document;

(c) (**notify details of or changes relating to Collateral**) notify the Secured Party promptly:

(i) on the Secured Party's request, of the present location of any Collateral;

(ii) if it acquires any Marketable Securities;

(iii) of the acquisition of any Serial Numbered Property which forms part of the Grantor's assets and is material to the Grantor's business and, in respect of that Serial Numbered Property, all the details referred to in Schedule 2; and

(iv) on the Secured Party's request, of the details of each purchase money security interest and each Security Interest perfected by control in any of the Grantor's Collateral; and

(d) (**no Event of Default**) ensure that no Event of Default occurs.

8.2 Undertakings relating to Collateral

The Grantor must (unless the Secured Party otherwise agrees):

(a) (**other Security Interests**) comply in all material respects with the terms of each Security Interest binding on it in respect of the Collateral from time to time, and unless the Secured Party first consents in writing, ensure that there is no increase in the amount secured under a Security Interest held by someone other than the Secured Party in respect of the Collateral other than where the Security Interest is a Permitted Lien;

(b) (**accessions and fixtures**) not allow any Collateral to become an accession or fixture to any asset (other than land) that is not Collateral (or otherwise subject to a Security Interest in favour of the Secured Party) or to be affixed to any land (other than any freehold interest in land in respect of which the Secured Party has a first-ranking registered mortgage), except in the ordinary course of, and for the purpose of carrying on, the Grantor's ordinary business;

(c) (**location of Collateral**) not move (or allow to be moved) any Collateral situated in Australia as at the date of this document outside Australia, except;

(i) in the ordinary course of, and for the purpose of carrying on, the Grantor's ordinary business; or

(ii) where in the Secured Party's opinion, the Collateral remains subject to a satisfactory (including in terms of priority ranking) Security Interest in favour of the Secured Party;

(d) (**Serial Numbered Property**):

(i) not change any serial number in respect of any Serial Numbered Property;

(ii) if, at the time this document is signed by the Grantor, or if the Secured Party so requests, at the time of that request, the Collateral includes any Serial Numbered Property, complete Schedule 2 and provide it to the Secured Party;

(e) (**Title Documents**) unless the Secured Party agrees otherwise in writing, deposit with the Secured Party all Title Documents relating to the Grantor's interests in the Collateral as soon as they are available to the Grantor or its agents;

(f) (**delivery of Collateral**) without limiting clause 8.2(e), on request by the Secured Party (acting reasonably), deliver to the Secured Party, or ensure the Secured Party has possession of all chattel paper, negotiable instruments, Title Documents and all other documents of title to the Collateral where possession of that Collateral by a third party could have the result that the interest of that third party in that Collateral would defeat or have priority over the Security Interest of the Secured Party (except to the extent that such documents or evidence of title are in the possession of the holder of a Permitted Lien for the purpose of giving effect to that Permitted Lien);

(g) (**income**) if the Secured Party directs after an Event of Default has occurred and is continuing, ensure that rent and other income from the Collateral is paid to the Secured Party (or that the Grantor pays over such amounts to the Secured Party), to be applied in accordance with clause 14.2;

(h) (**access and inspection**) ensure that the Collateral and the Grantor's Records relating to the Collateral are available for inspection (and in the case of Records, for copying) by the Secured Party and persons authorised by the Secured Party:

(i) during business hours on giving reasonable notice; and

(ii) at any time without prior notice while an Event of Default is continuing or while an event or circumstance is continuing that the Secured Party believes (acting reasonably) exposes a substantial part of the Collateral to risk of loss, damage or material reduction in value,

and in each case the Grantor must assist with each inspection (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same;

(i) (**condition and protection**) keep all Collateral in good working order and condition and protected from loss, theft and damage;

(j) (**maintain value**) not do, allow or omit anything which is likely to lower the value of the Collateral unless permitted by the Credit Agreement; and

(k) (**trademarks**) as soon as possible and in any event within 20 Business Days of the date of this document, lodge an application with the World Intellectual Property Organization and/or IP Australia (as applicable) for the recorded owner to be updated to "AVITA Medical Pty Limited" for each of the following Australian trademarks:

(i) IR 1258199 / AU 1710701;

(ii) IR 1265045 / AU 1722240;

(iii) AU 1722242;

(iv) AU 1722241; and

(v) IR 1284000 / AU 1747552.

8.3 Collection Account

If the Secured Party requests at any time after an Event of Default has occurred and while it is continuing, the Grantor must:

(a) open and maintain an account designated as 'Collection Account' with an ADI at a branch approved by the Secured Party;

(b) sign and do everything necessary (including give notice to the ADI and execute all documents required by the ADI and the Secured Party) so that the Secured Party's nominated Authorised Representatives are signatories to the Collection Account and no withdrawal or fund transfer can be made from the account without the signature of at least two of those Authorised Representatives;

(c) give a notice substantially in the form of Schedule 1 to the ADI with whom the account is held, promptly on being required to do so, and use its best endeavours to procure that the ADI provides the acknowledgment contemplated in the notice;

(d) ensure that any money withdrawn from the Collection Account in breach of this document or any other Loan Document is kept separate from any other money and is held in trust for the Secured Party; and

(e) not close or, at any time after an Event of Default has occurred and is continuing, make withdrawals from or transfer funds from the Collection Account, without the Secured Party's prior written consent or otherwise operate the Collection Account except as expressly contemplated in the Loan Documents.

The Grantor agrees that the Secured Party:

(f) is not responsible for the Grantor's performance of its obligations in relation to the Collection Account; and

(g) has no duties in relation to the Collection Account except as specified in a Loan

Document, and will not be liable for any error of judgment or any mistake of fact or law, except to the extent of its own gross negligence, wilful default or fraud.

8.4 Collection and deposit of proceeds

(a) If the Secured Party requests at any time after an Event of Default has occurred and while it is continuing, the Grantor must until the Secured Party otherwise directs, ensure the prompt collection (as agent for the Secured Party) and immediate deposit directly into the Collection Account, of all proceeds, money and other amounts on account or in respect of:

(i) any book debt or other debt due to the Grantor (whether or not received by it);

(ii) any amount payable to the Grantor under an Investment Document;

(iii) any insurance (other than workers compensation or public liability insurance proceeds payable to another person entitled to compensation) where the Secured Party is not the loss payee; and

(iv) the disposal of any Collateral.

(b) If the Secured Party notifies the Grantor at any time that the Secured Party intends to collect the amounts referred to in clause 8.4(a), the Grantor agrees that:

(i) the Secured Party will collect those amounts instead of the Grantor and the Grantor is prohibited from doing so;

(ii) the Secured Party may notify relevant persons of the Secured Party's interest in those amounts; and

(iii) the Grantor must use its best endeavours to assist the Secured Party to collect those amounts (including but not limited to signing and doing anything desirable, in the Secured Party's reasonable opinion, for that purpose).

8.5 Further assurances

The Grantor must do (and must procure that anyone else who has an interest in the Collateral or who claims under or in trust for the Grantor does) whatever the Secured Party reasonably requires to:

(a) better secure the Collateral for payment and performance or satisfaction of the Obligations, and to enable the better exercise of any Power (including the granting of further specific security in the form required by the Secured Party and depositing with the Secured Party documents or evidence of titles and transfers in relation to investment instruments); and

(b) perfect, preserve, maintain, protect, or otherwise give full effect to the Collateral, this document or each Security Interest intended to be created under this document, and the priority of that Security Interest required by the Secured Party,

including:

(c) anything the Secured Party requires in order for it to:

(i) register and maintain (including renew before expiry) one or more financing statements in relation to any Security Interest in Collateral created by any Loan Document;

(ii) remove any financing statement which is registered against the Grantor or any caveat which is lodged against land which is Collateral in relation to any Security Interest which is not a Permitted Lien; or

(iii) obtain possession or control of any Collateral for the purpose of perfecting the Secured Party's Security Interest in that Collateral by possession or control;

(d) providing details of the Collateral;

(e) procuring that any other person holding a Security Interest in all or any part of the Collateral provides to the Secured Party such information in relation to that Security Interest as the Secured Party may reasonably request;

(f) granting an all-obligations mortgage in the form required by the Secured Party over such of the Grantor's interests in any Real Property which forms part of the Collateral as the Secured Party may require, and delivering to the Secured Party any document, and doing any other thing, which the Secured Party requires in order to register any such mortgage;

(g) perfecting or improving the Grantor's title to, or other right or interest in, all or any part of the Collateral;

(h) facilitating the exercise of any right by the Secured Party or any Receiver or Attorney at any time or the realisation of the Collateral following the occurrence of an Event of Default which is continuing, including the exercise of all rights of inspection, requesting all Records and taking all necessary copies, which the Grantor is entitled to exercise, request or take;

(i) paying any Taxes on this document;

(j) executing and delivering to the Secured Party transfer forms in relation to any of the Collateral, undated and blank as to transferee and consideration; and

(k) otherwise enabling the Secured Party to obtain the full benefit of the provisions of any Loan Document.

9. Grantor liability and exclusion of rights

9.1 Indemnity

The Grantor indemnifies the Secured Party and each other Beneficiary against, and must pay to the Secured Party on demand amounts equal to, any Loss (including loss of profit) arising as a result or in connection with:

(a) the Grantor or a Loan Party failing to observe or perform its Obligations on time; or

(b) an Insolvency Event in relation to the Grantor,

for any reason and whether or not the Grantor or a Beneficiary knew or ought to have known anything about these matters.

9.2 Principal and independent obligation

Subject to clause 6.2, this document comprises principal and independent obligations of the Grantor and is not ancillary or collateral to, or affected by, any other obligation, Security Interest or Guarantee.

9.3 Grantor's liabilities not affected

The Grantor's liabilities under this document are not affected by any act, omission or other thing which would reduce or discharge those liabilities, including:

(a) a Beneficiary granting time or any other indulgence or concession to a Loan Party or any other person;

(b) a Beneficiary increasing the amount of, opening further accounts in connection with or otherwise varying or replacing the type or terms of, financial accommodation provided to a Loan Party or any other person;

(c) any transaction or agreement, or variation, novation or assignment of a transaction or agreement (including any Loan Document), between a Beneficiary and a Loan Party or any other person;

(d) an Insolvency Event in relation to a Loan Party or any other person, or a Beneficiary becoming a party to or bound by any Liquidation;

(e) any judgment, proceedings or order being obtained or made against a Loan Party or any other person;

(f) an obligation of a Loan Party or any other person or any provision of a Loan Document

being void, voidable, unenforceable, defective, released, waived, impaired, novated, enforced or impossible or illegal to perform;

(g) the whole or partial discharge or release of, or the granting of, a Security Document;

(h) any Obligations not being recoverable or the liability of a Loan Party or any other person to a Beneficiary ceasing (including as a result of giving a release or discharge or by law);

(i) the failure of a Loan Party or any other person to execute any Loan Document, properly or at all;

(j) the Grantor not being a party to a Loan Document (such as a Loan Document solely between the Secured Party and a Loan Party);

(k) a Beneficiary exercising or not exercising its rights (including any right to elect to terminate a contract) under a Loan Document or at law against a Loan Party or any other person;

(l) any default, misrepresentation, negligence, breach of contract, misconduct, acquiescence, delay, waiver, mistake, failure to give notice or other action or inaction of any kind (whether or not prejudicial to the Grantor) by a Beneficiary or any other person;

(m) any change to, or in the membership of, any partnership, joint venture or association; or

(n) any Collateral being destroyed, forfeited, extinguished, surrendered or resumed,

whether or not the Grantor, a Loan Party, a Beneficiary or any other person is aware of it or consents to it and despite any legal rule to the contrary.

9.4 Exclusion of subrogation and other rights

Until there are no Obligations, and each Beneficiary is satisfied (acting reasonably) that it will not have to repay any money received by it, the Grantor must not (either directly or indirectly) without the Secured Party's prior written consent:

(a) claim, exercise or attempt to exercise a right of set-off or counterclaim or any other right or raise any defence which might reduce or discharge the Grantor's liability under this document;

(b) claim or exercise a right of subrogation or contribution or otherwise claim the benefit of:

(i) a Security Document or Guarantee relating to the Obligations; or

(ii) any Security Interest or Guarantee which would rank in priority or preference to a Security Document or Guarantee relating to the Obligations,

and any money the Grantor receives in breach of this clause 9.4(b) will be held on trust for each Beneficiary and must be paid promptly to a Beneficiary for the account of each Beneficiary; or

(c) unless expressly permitted in a Loan Document or each Beneficiary has given a direction to do so (in which case it must do so in accordance with the direction as trustee for each Beneficiary):

(i) prove, claim or vote in, or receive the benefit of a distribution, dividend or payment arising out of, the Liquidation of a Loan Party; or

(ii) demand, or accept payment of, any money owed to the Grantor by a Loan Party,

and any such money it receives will be held on trust each Beneficiary and must be paid promptly to a Beneficiary for the account of each Beneficiary.

9.5 Prove in Liquidation

(a) The Grantor, for valuable consideration, irrevocably appoints each of the Secured Party and its Authorised Representatives separately as its attorney to prove in the Liquidation of a Loan Party for all money that the Grantor can claim against that person on any account whatever. The terms of appointment are that the attorney:

(i) must pay to the Grantor dividends it receives in excess of the Obligations, without interest, and any other dividends must be paid to the Secured Party; and

(ii) may delegate its powers (including the power to delegate) to any person for any period and may revoke the delegation.

(b) The Grantor agrees to ratify anything done by an attorney under clause 9.5(a). The power of attorney created under clause 9.5(a) is granted to secure the Grantor's performance of its obligations under each Loan Document to which it is expressed to be a party.

9.6 Variations and replacements

The Grantor acknowledges that the Loan Documents may be varied or replaced from time to time. The Grantor confirms that the Obligations includes any amount payable under any Loan

Document which is relevant to the Obligations as varied or replaced. The Grantor confirms that this applies regardless of:

(a) how a Loan Document is varied or replaced;

(b) the reasons for the variation or replacement; and

(c) whether the Obligations decreases or increases or a Loan Document is otherwise more onerous as a result of the variation or replacement.

10. Consequences of Event of Default

10.1 Consequences of Event of Default

If an Event of Default has occurred and is continuing, in addition to all other rights and remedies granted to the Secured Party:

(a) each Security Interest created under this document will become immediately enforceable; and

(b) the floating charge created under this document will become a fixed charge, to the extent that it is not already fixed, and all Collateral that was subject to the floating charge is not (or immediately ceases to be) a Revolving Asset.

10.2 Secured Party's general powers

While an Event of Default is continuing, regardless of whether the Secured Party has appointed a Receiver, the Secured Party may, without demand or notice to anyone (unless notice is required as described in clause 19.1), do all things that a secured party with a Security Interest in, or a mortgagee or an absolute owner of, the Collateral can do, and exercise all rights, powers and remedies:

(a) of a secured party with a Security Interest in, or a mortgagee or an absolute owner of, the Collateral;

(b) given to a Receiver under the Corporations Act; and

(c) specified in clause 10.4.

10.3 Secured Party's PPSA powers – sections 123 and 128

Without limiting any other provision of this document, any Security Interest or any other Loan Document, the Grantor agrees that, at any time while an Event of Default is continuing, the Secured Party may:

(a) seize any Collateral; and/or

(b) dispose of any Collateral in such manner and generally on such terms and conditions as the Secured Party thinks desirable,

and otherwise do anything that the Grantor could do in relation to the Collateral.

10.4 Secured Party's specific powers

While an Event of Default is continuing, the Secured Party may do any or all of the following in connection with its Powers, whether in its or the Grantor's name or otherwise and whether or not it has possession of the Collateral:

(a) (**recover, possess and control**) access, recover, manage, take or give up possession or 'control' (within the ordinary meaning of that term and as defined in the PPSA) of, and surrender or release, any Collateral;

(b) (**receive income and profits**) receive the income and profits of the Collateral;

(c) (**carry on business**) carry on, promote, restructure or participate in the Grantor's business in relation to the Collateral, and access the land or premises of that business;

(d) (**insurance**) insure the Collateral and settle and compromise insurance claims;

(e) (**improve or invest**) maintain, invest, deposit, improve or alter the Collateral to improve its value or saleability or to obtain income or returns from it (including to acquire, take on or Lease any asset as part of the Collateral or build, rebuild, pull down or alter a structure or improvement on Real Property);

(f) (**sell, assign or exchange**) sell, assign or help sell all or any Collateral to any person or exchange it for any other property or rights, on terms the Secured Party thinks fit, with or without other property;

(g) (**deposited documents**) complete and deal with any document deposited with the Secured Party relating to any Collateral, including any transfer in blank;

(h) (**options, Lease, rights**) grant, acquire, renew, vary, accept the surrender of or terminate an option, Lease or other right over the Collateral on the terms it thinks fit, and with or without any other property;

(i) (**hive off**) promote the formation of any company to acquire any Collateral or assume obligations of the Grantor or both;

(j) (**accounts**) operate bank accounts forming part of the Collateral and open and operate further bank accounts in the Grantor's name and to the Grantor's exclusion;

(k) (**contracts, instruments and rights**) perform or observe the Grantor's obligations or enforce or exercise the Grantor's rights, powers, discretions or remedies (or refrain from doing so) under:

(i) a contract, instrument, arrangement or Marketable Security forming part of the Collateral (including voting and proxy rights); or

(ii) a Loan Document (including to cure an Event of Default) or other document entered into by the Secured Party or a Receiver in exercise of a Power,

and vary, terminate or rescind any of them or novate or otherwise transfer to any person the Grantor's obligations under any of them;

(l) (**make calls**) make calls on the members of the Grantor for uncalled capital forming part of the Collateral;

(m) (**Liquidation**) initiate and participate in any Liquidation of any person (including voting at meetings and appointing proxies);

(n) (**proceedings**) commence, prosecute, defend, discontinue, compromise, submit to arbitration and settle proceedings in connection with this document or the Collateral, whether in or before a Governmental Authority;

(o) (**raise money**) obtain financial accommodation (including from a Beneficiary or its associate) and give Guarantees, in each case with or without granting a Security Interest over the Collateral and regardless of priority ranking;

(p) (**receipts**) give receipts for money and other property it receives;

(q) (**employ and delegate**) employ and discharge staff, professional advisers,

consultants, contractors, agents and auctioneers for the purposes of this document, and at the remuneration that the Secured Party thinks fit, and to delegate to any person any of its Powers (including this right of delegation);

(r) (**Authorisations**) apply for any Authorisation which is necessary or desirable in connection with the exercise of a Power; and

(s) (**incidental power**) do anything expedient or incidental to exercise any of its Powers, without limiting those Powers.

10.5 Discharge or acquire prior Security Interest

(a) While an Event of Default is continuing, the Secured Party may do any one or more of the following:

(i) purchase a debt or liability secured by a prior Security Interest (including a debt secured by a Permitted Lien);

(ii) pay the amount required to discharge or satisfy that debt or liability; and

(iii) take a transfer or assignment of that Security Interest and any Guarantee, document or right ancillary or collateral to it.

(b) If the Secured Party exercises its rights under clause 10.5(a):

(i) the Grantor is indebted to the Secured Party for the same amount paid by the Secured Party or the amount of the debt or liability acquired (whichever is higher) and that amount is immediately payable to the Secured Party and forms part of the Obligations;

(ii) the Secured Party may rely on a written notice from the holder of a prior Security Interest (**Prior Secured Party**), or on an ancillary or collateral document, as to the amount and property secured by that prior Security Interest;

(iii) the Prior Secured Party need not enquire whether any amount is owing under a Loan Document; and

(iv) the Grantor irrevocably directs any such Prior Secured Party to give the Secured Party any information it requires in connection with the prior Security Interest.

10.6 Co-operation in exercise of power of sale

If the Secured Party or a Receiver wishes to exercise a right to sell any Collateral, the Grantor must do or cause to be done all things necessary to enable an expeditious sale and transfer to the purchaser for the value as estimated by the Secured Party, in the manner and on terms the Secured Party thinks fit.

10.7 Appoint Receivers

(a) While an Event of Default is continuing, the Secured Party may do any one or more of the following:

(i) appoint one or more persons (severally, unless specified otherwise in the instrument of appointment) to be a receiver or receiver and manager of all or any of the Collateral;

(ii) fix and vary the Receiver's remuneration at an amount agreed between the Secured Party and the Receiver from time to time;

(iii) terminate a receivership or remove or replace a Receiver; and

(iv) appoint an additional Receiver.

(b) The Secured Party may do any of these things even if a resolution or order for the Grantor's Liquidation has been passed or made.

(c) Each party agrees that if a Receiver is appointed under this document on the basis of an Event of Default which subsequently ceases to continue, the Event of Default is taken to

continue for the purposes of the Receiver's appointment under this document.

10.8 Agency of Receiver

To the extent permitted by law, a Receiver is the agent of the Grantor and the Grantor alone is responsible for the Receiver's costs, expenses, remuneration, acts, omissions and defaults. The Secured Party is not liable to the Grantor for the acts or omissions of the Receiver. To the extent that a Receiver is not, or ceases to be, the agent of the Grantor as a result of a resolution or order for the Grantor's Liquidation or by operation of law, the Receiver immediately becomes the agent of the Secured Party.

10.9 Receiver's powers

(a) Unless the terms of a Receiver's appointment say otherwise, the Receiver has the following rights and powers over the Collateral which the Receiver is appointed to:

(i) deal with all the rights, powers, discretions or remedies given by law to mortgagees in possession, receivers or receivers and managers;

(ii) deal with all of the Secured Party's Powers under this document and at law (other than the power to appoint receivers or receivers and managers); and

(iii) obtain financial accommodation from a Beneficiary and give Guarantees on terms that the Receiver considers expedient in connection with the Collateral, in each case whether alone or together with any other person, and with or without granting a Security Interest (regardless of priority ranking) over the Collateral.

(b) The Receiver may exercise the rights and powers under clause 10.9(a) in the name of the Grantor or otherwise.

10.10 Appointment of Attorney

(a) The Grantor for valuable consideration, to secure the performance of the Obligations, irrevocably appoints the Secured Party, each Authorised Representative of the Secured Party and each Receiver separately as its attorney to do any or all of the following on the Grantor's behalf and in the Grantor's or the attorney's name while an Event of Default is continuing:

(i) prove in the Liquidation of a Loan Party;

(ii) anything which the Grantor must do under a Loan Document or under law in connection with a Loan Document;

(iii) anything which the Attorney considers necessary or expedient to give effect to a Power or exercise of a Power, or to perfect any Loan Document, including by signing any document for that purpose; and

(iv) anything which an Attorney is expressly empowered to do under a Loan Document on the Grantor's behalf.

(b) The Grantor agrees to ratify anything done by its Attorney pursuant to the power of attorney granted by the Grantor under clause 10.10(a). An Attorney may delegate its powers (including the power to delegate) to any person for any period and may revoke the delegation.

11. Costs and expenses

11.1 Costs and expenses

The Grantor agrees to pay all costs and expenses set out in section 10.3 (*Payment of Costs and Expenses*) and Section 10.4 (*Indemnification*) of the Credit Agreement as if each reference to:

(a) 'Borrower' were to the Grantor;

(b) 'Administrative Agent' and 'Lender' includes a reference to the Secured Party

(including, for the avoidance of doubt, so that the Secured Party would be an 'Indemnified Party' under the Credit Agreement);

(c) 'Collateral' includes any Collateral defined under this document; and

(d) 'this Agreement' includes this document.

11.2 PPSA expenses

Without limiting clause 11.1 above, the Grantor must pay or reimburse on demand by the Secured Party all reasonable costs and expenses of a Beneficiary, a Receiver and an Attorney (and any of their respective officers, employees and agents) in connection with:

(a) the negotiation, preparation, execution, delivery, registration and completion of, and payment of Taxes on, the Loan Documents;

(b) preparing, registering and maintaining any financing statement or financing change statement (including pursuant to section 167 of the PPSA); and

(c) complying with any amendment demand in accordance with Part 5.6 of the PPSA.

This includes legal costs and expenses (on a full indemnity basis) and any professional consultant's fees.

11.3 Enforcement and other expenses

Without limiting clause 11.1 above, the Grantor must pay or reimburse on demand by the Secured Party all costs and expenses of the a Beneficiary, a Receiver and an Attorney (and any of their respective officers, employees and agents) in connection with:

(a) enforcing a Loan Document, or exercising, enforcing or protecting a Power, or attempting to do so;

(b) obtaining or receiving payment of, and distributing, any Obligations;

(c) a breach of, obtaining or procuring performance or satisfaction of the Obligations;

(d) a Default or Event of Default;

(e) any Governmental Authority enquiry concerning the Grantor or any of its Affiliates, or the involvement of a Beneficiary in the Loan Documents; and

(f) maintaining, preserving or protecting the Collateral.

This includes any legal costs and expenses (on a full indemnity basis) and any professional consultant's fees.

11.4 Costs and expenses of Grantor

The Grantor will pay its own costs and expenses in connection with this document.

12. Interest on overdue amounts

12.1 Accrual and calculation

Unless another Loan Document already obliges the Grantor to pay interest on an unpaid amount that is due and payable by it under a Loan Document, interest on that overdue amount (including on unpaid interest under this clause 12) will accrue daily:

(a) from and including the due date (or, for an amount payable by reimbursement or indemnity, any earlier date the amount was incurred), up to but excluding the date of actual payment; and

(b) subject to clause 12.2, at the Default Rate.

12.2 Judgment or order

If the Grantor's liability under a Loan Document is the subject of a judgment or order:

(a) its obligation to pay interest under clause 12.1 is separate from, and continues despite, the judgment or order; and

(b) the interest accrues both before and after judgment at the higher of the Default Rate and the rate payable under that judgment or order.

12.3 Payment

The Grantor must pay to the Secured Party accrued interest under this clause 12 on the last Business Day of each calendar month and on demand.

13. Payments

All payments by the Grantor under this document must be made:

(a) in accordance with the other Loan Documents; and

(b) if no date for payment is specified in another Loan Document, on demand by the Secured Party.

14. Receipt of money and application

14.1 Credit of received payment

The Grantor is only credited with a payment of the Obligations from the date of actual receipt in cleared funds by the relevant Beneficiary (whether received from the Grantor or a Receiver).

14.2 Applying or appropriating money received

(a) Subject to the Security Trust Deed, the Secured Party may apply or appropriate all money received under this document (even if insufficient to discharge all of the Grantor obligations at that time) to reduce the Obligations in the order, and to satisfy any part of the Obligations, as the Secured Party sees fit (including as between principal, interest and other amounts owing to the Secured Party and including so as to enable the Secured Party to preserve any purchase money security interest) provided that no application or appropriation may be made by the Secured Party where the relevant application or appropriation would not be permitted to be made by the Administrative Agent under any Loan Document if the money had been received by the Administrative Agent.

(b) An application or appropriation by the Secured Party will override any appropriation made by the Grantor unless the Grantor is entitled to make the appropriation under the terms of any Loan Document. For the purposes of section 14(6)(a) of the PPSA, this clause 14.2 constitutes the method of payment application agreed by the parties.

14.3 Suspense account

(a) The Secured Party may credit money received in or towards satisfaction of the Obligations (including dividends received in any Liquidation) to a suspense account. The Secured Party may keep the money in that account for as long as, and at whatever interest rate, the Secured Party thinks fit. The Secured Party may apply the money (including interest) to reduce the Obligations whenever the Secured Party thinks fit.

(b) If the Obligations have been fully and finally paid or discharged and the Secured Party is satisfied that such payment or discharge is not liable to be set aside, avoided or reversed, then the balance standing to the credit of the suspense account and any accrued interest must be paid to or for the account of the Grantor and the Secured Party will not have any further liability in relation to it.

14.4 Surplus proceeds

If the Secured Party, a Receiver or an Attorney (as the case may be) holds any surplus money after:

(a) payment of the Obligations in full and the application of proceeds in accordance with clause 14.2; and

(b) the making of all payments that the Secured Party, Receiver or Attorney has the right or obligation to make under the Loan Documents or at law,

then:

(c) no trust arises, or interest accrues, over that surplus money; and

(d) each Beneficiary, Receiver or Attorney may pay that money to an account in the name of the Grantor with any bank, in which case each Beneficiary, Receiver or Attorney will have no further liability in relation to that money.

14.5 Payments after notice of subsequent Security Interests

(a) Subject to clause 14.5(b), effective from the time at which the Secured Party receives actual or constructive notice of a subsequent Security Interest in respect of any Collateral to which the PPSA does not apply:

(i) the Secured Party and the Grantor agree that for all purposes there is opened a new account in the name of the Grantor in the Secured Party's books;

(ii) all payments made by the Grantor to the Secured Party and all accommodation and advances made by the Secured Party to the Grantor, are to be credited or debited (as applicable) to that new account; and

(iii) all payments credited to the new account must be applied first towards reduction of any debit balance in the new account, and then towards reduction of any other Obligations.

(b) Clause 14.5(a) is subject to the Secured Party's general rights of appropriation under clauses 14.1 and 14.2.

15. Statutory powers and notices

15.1 Exclusion of PPSA provisions

To the extent the law permits:

(a) for the purposes of sections 115(1) and 115(7) of the PPSA:

(i) the Secured Party need not comply with sections 95, 118, 121(4), 125, 130, 132(3)(d) or 132(4); and

(ii) sections 142 and 143 are excluded;

(b) for the purposes of section 115(7) of the PPSA, the Secured Party need not comply with sections 132 and 137(3);

(c) if the PPSA is amended after the date of this document to permit the Grantor and the Secured Party to agree to not comply with or to exclude other provisions of the PPSA, the Secured Party may notify the Grantor that any of these provisions is excluded, or that the Secured Party need not comply with any of these provisions, as notified to the Grantor by the Secured Party; and

(d) the Grantor agrees not to exercise its rights to make any request of the Secured Party under section 275 of the PPSA, to authorise the disclosure of any information under that section or to waive any duty of confidence that would otherwise permit non - disclosure under that section.

15.2 Exercise of rights by Secured Party

If the Secured Party exercises a Power in connection with this document, that exercise is taken not to be an exercise of a right, power or remedy under the PPSA unless the Secured Party states otherwise at the time of exercise. However, this clause does not apply to a Power which can only be exercised under the PPSA.

15.3 No notice required unless mandatory

(a) To the extent the law permits, the Grantor waives:

(i) its rights to receive any notice that is required by:

(A) any provision of the PPSA (including a notice of a verification statement); or

(B) any other law before a secured party or Receiver exercises a Power; and

(ii) any time period that must otherwise lapse under any law before a secured party or Receiver exercises a Power.

(b) If the law which requires a period of notice or a lapse of time cannot be excluded, but the law provides that the period of notice or lapse of time may be agreed, that period or lapse is one day or the minimum period the law allows to be agreed (whichever is the longer).

(c) However, nothing in this clause prohibits the Secured Party or any Receiver from giving a notice under the PPSA or any other law.

15.4 Appointment of nominee for registration

For the purposes of section 153 of the PPSA, the Secured Party appoints the Grantor as its nominee, and authorises the Grantor to act on its behalf, in connection with a registration under the PPSA of any security interest in favour of the Grantor which is:

(a) evidenced or created by chattel paper;

(b) perfected by registration under the PPSA; and

(c) transferred to the Secured Party under this document.

This authority ceases when the registration is transferred to the Secured Party.

15.5 Other rights

Where the Secured Party has Powers in addition to, or existing separately from, those in Chapter 4 of the PPSA, those Powers will continue to apply and are not limited or excluded (or otherwise adversely affected) by the PPSA. This is despite clause 15.1 or any other provision of a Loan Document.

16. Assignment

16.1 By Grantor

The Grantor may not assign, transfer or otherwise deal with its rights, interests or obligations under this document without the Secured Party's prior written consent.

16.2 Change in security trustee

The Grantor agrees that:

(a) the Secured Party may assign its rights and novate or otherwise transfer its obligations under this document to any replacement or successor security trustee that is appointed in accordance with the Security Trust Deed (**New Security Trustee**); and

(b) if requested, it will enter in to a novation deed with the Secured Party and any New Security Trustee in a form acceptable to the Secured Party and the New Security Trustee.

16.3 Assistance

The Grantor agrees to do or execute anything reasonably requested by the Secured Party to effect an assignment, transfer, novation or other dealing under this clause 16.

17. Notices, demands and communications

Clause 14 (*Notices, demands and communications*) of the Security Trust Deed applies to the

giving of any notice, demand, consent, approval or communication in connection with this document.

18. Protection of third parties

18.1 Receipt of Secured Party, Receiver

A receipt given by a Beneficiary (or its Authorised Representative), a Receiver or an Attorney for any money payable to it, or any asset receivable by it, relieves the person paying that money or delivering the asset from all liability to enquire as to the dealing with, or application of, that money or asset.

18.2 Third parties need not enquire

A person dealing with a Beneficiary, a Receiver or an Attorney is protected from any impropriety or irregularity of that dealing, and need not enquire whether:

(a) any of them has been properly appointed or has executed or registered an instrument or exercised a Power properly or with authority; or

(b) any Obligation has become due, a Loan Document is enforceable or a default or event of default (however described) has occurred under a Loan Document.

19. Protection of Secured Party, Receiver and Attorney

19.1 Notice, demand or lapse of time required by law

If a notice, demand or lapse of time is required by law before a Beneficiary can exercise a Power, then for the purposes of this document:

(a) that notice, demand or lapse of time is dispensed with to the extent allowed by that law; or

(b) if not allowed to be dispensed with, but the period of notice, demand or lapse of time is allowed by that law to be shortened or fixed, it is shortened and fixed to one day.

19.2 Secured Party and Receiver not restricted

A Beneficiary or a Receiver need not:

(a) exercise a Power, give a consent or make a decision under this document unless a Loan Document expressly provides otherwise; or

(b) resort to a Security Document or Power before resorting to any other of them.

19.3 Secured Party, Receiver and Attorney not mortgagee in possession or liable

To the extent permitted by law, a Beneficiary, a Receiver and any Attorney will:

(a) not be, nor account or be liable as, mortgagee in possession due to exercise of a Power; or

(b) not be liable to anyone for any Loss in relation to an exercise or attempted exercise of a Power, or a failure or delay in exercising a Power, except for its own gross negligence, fraud or wilful default.

19.4 Secured Party may set off

At any time while an Event of Default is continuing, the Secured Party may, without any demand or notice, set off and apply indebtedness it owes to the Grantor (whatever the currency) against any money owing to it by the Grantor under any Security Trustee Document, whether or not the amount owed by the Secured Party or the Grantor is immediately payable or is owed alone or with any other person. The Grantor irrevocably authorises the Secured Party to do anything necessary (including to sign any document and effect appropriate currency exchanges) for that purpose.

19.5 Reinstating avoided transaction

(a) The Grantor agrees that if a payment or other transaction relating to the Obligations is void, voidable, unenforceable or defective for any reason or a related claim is upheld, conceded or settled (each an **Avoidance**), then even though the Secured Party knew or should have known of the Avoidance:

(i) each Power and the Grantor's liability under each Loan Document will be what it would have been, and will continue, as if the payment or transaction the subject of the Avoidance had not occurred; and

(ii) the Grantor will immediately execute and do anything required by the Secured Party to restore the Secured Party to its position immediately before the Avoidance (including reinstating any Loan Document).

(b) This clause 19.5 survives any termination or full or partial discharge or release of any Loan Document.

19.6 Authorised Representatives and communications

The Grantor irrevocably authorises the Beneficiaries to rely on a certificate by any person purporting to be its director or company secretary as to the identity and signatures of its Authorised Representatives, and to rely on any Notice or other document contemplated by any Loan Document which bears the purported signature (whether given by facsimile or otherwise) of its Authorised Representative. The Grantor warrants that those persons have been authorised to give notices and communications under or in connection with the Loan Documents.

19.7 Secured Party's opinion

An opinion or view of the Secured Party for the purposes of this document may be formed or held on its behalf by its Authorised Representative, its board of directors or by any other person it authorises to act on its behalf in relation to the Loan Documents.

20. General provisions

20.1 Consideration

The Grantor acknowledges entering this document in return for the Secured Party and the other Beneficiary entering into the Loan Documents, the transactions contemplated by those documents and other valuable consideration.

20.2 Prompt performance

If a time is not specified for the performance by the Grantor of an obligation under this document, it must be performed promptly.

20.3 Performance of Grantor's obligations by Secured Party

The Secured Party may do anything which the Grantor fails to do as required by, or in accordance with, this document. This does not limit or exclude the Secured Party's Powers in any way.

20.4 Powers

Powers under the Loan Documents are cumulative and do not limit or exclude Powers under law. Full or partial exercise of a Power does not prevent a further exercise of that or any other Power. No failure or delay in exercising a Power operates as a waiver or representation. Unless expressly provided in a Loan Document, no Power or Loan Document merges in, limits or excludes any other Power, Loan Document or judgment which the Secured Party or a Receiver (or anyone claiming through it) may have or obtain.

20.5 Consent and waivers

A consent or waiver by the Secured Party or a Receiver in relation to this document is effective only if in writing. If given subject to conditions, the consent or waiver only takes effect subject to compliance with those conditions to the Secured Party's or Receiver's satisfaction.

20.6 Indemnities and reimbursement obligations

The Secured Party or a Receiver need not incur an expense or make a payment before enforcing an indemnity or reimbursement obligation in a Security Trustee Document. Unless otherwise stated, each such indemnity or reimbursement obligation is separate and independent of each other obligation of the party giving it, is absolute, irrevocable, unconditional and payable on demand and continues despite any settlement of account, termination of any Security Trustee Document or anything else.

20.7 Notices or demands as evidence

A notice or certificate from or demand by the Secured Party stating that an Event of Default has occurred, or that a specified sum of money is owing or payable under a Security Trustee Document or stating any other fact or determination relevant to the rights or obligations of the

Secured Party or the Grantor under a Loan Document, is taken to be correct unless proved incorrect.

20.8 Law and legislation

To the extent permitted by law:

(a) each Loan Document to which the Grantor is expressed to be a party prevails to the extent of inconsistency with any law; and

(b) any present or future legislation operating to reduce the Grantor's obligations under a Loan Document or the effectiveness of the Powers is excluded.

20.9 Severability

A provision of this document that is illegal, invalid or unenforceable in a jurisdiction is ineffective in that jurisdiction to the extent of the illegality, invalidity or unenforceability. This does not affect the validity or enforceability of that provision in any other jurisdiction, nor the remainder of this document in any jurisdiction.

20.10 Variation

A variation of this document must be in writing and signed by or on behalf of each party to it.

20.11 Governing law – security agreement

This document is governed by the laws of New South Wales, Australia.

20.12 Governing law – Security Interest

(a) Subject to paragraph (b), each Security Interest created under this document is governed by the laws of New South Wales, Australia.

(b) Paragraph (a) does not apply to the extent that a Security Interest is created under this document in any personal property described in section 237(2) of the PPSA, in which case the law determined by the PPSA will govern the Security Interest in that property.

20.13 Jurisdiction

Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia (and any court of appeal) and waives any right to object to an action being brought in those courts, including on the basis of an inconvenient forum or those courts not having jurisdiction.

20.14 Service of process

Without preventing any other mode of service, any document in an action or process may be served on any party by being delivered to or left for that party at its address for service of Notices under this document.

20.15 Acceptance of appointments

The Grantor acknowledges that:

(a) the Borrower has, or will, appoint the Grantor as its agent to accept service of process under or in connection with the Specific Security Deed (Marketable Securities) (as defined in the Security Trust Deed), and the Grantor accepts the appointment;

(b) the appointments may not be revoked without the Secured Party's consent.

20.16 Counterparts

(a) This document may be executed in any number of counterparts or copies, each of which may be executed by physical signature in wet ink or electronically (whether in whole or part). A party who has executed a counterpart of this document may exchange it with another party (the **Recipient**) by:

(i) emailing a copy of the executed counterpart to the Recipient; or

(ii) utilising an electronic platform (including DocuSign) to circulate the executed counterpart,

and will be taken to have adequately identified themselves by so emailing the copy to the Recipient or utilising the electronic platform.

(b) Each party consents to signatories and parties executing this document by electronic means and to identifying themselves in the manner specified in this clause.

(c) Each counterpart constitutes an original (whether kept in electronic or paper form), all of which together constitute one instrument as if the signatures (or other execution markings) on the counterparts or copies were on a single physical copy of this document in paper form. Without limiting the foregoing, if any of the signatures or other markings on behalf of one party are on different counterparts or copies of this document, this shall be taken to be, and have the same effect as, signatures on the same counterpart and on a single copy of this document.

Schedule 1 – Notice of Security Interest (account)

[***Date***]

To: [***Financial institution name***] (**you**) [***Financial institution address***]

Copy to: **ORCO IV LLC**
[***secured party address***]

Customer/depositor: AVITA Medical Pty Limited (**we/us**)

Account: [ ] (Collection Account)

We have granted a general security deed (**GSD**) to ORCO IV LLC (**Secured Party**) under which we have created a security interest in the Collection Account. Under the terms of the GSD, we must not operate or deal with the Collection Account in any way (including any fund transfer or withdrawal) without the Secured Party's prior written consent. Accordingly, unless you receive notice to the contrary from the Secured Party, you are directed to:

1. deal with the Collection Account and any balance only in accordance with the Secured Party's instructions, and to not permit the Collection Account to be operated without those instructions;

2. credit all interest and proceeds in relation to the Collection Account into the Collection Account.

Any notice or subsequent instructions given by the Secured Party under this notice must be authorised by no less than two authorised officers. The authorised officers for the Collection Account must be properly identified using your usual procedures before you can accept notifications or instructions from a particular authorised officer.

Notices to [***Financial institution name***] must be sent to:

[***insert address***]

Facsimile: [***insert facsimile***]

Attention: [***insert attention***]

You are also directed to promptly give the Secured Party:

(a) all information requested by the Secured Party from time to time in relation to the Collection Account (whether or not such information you may disclose to the Secured Party is deemed confidential) and any interest and proceeds credited or paid to the Collection Account; and

(b) a copy of any notice you receive of any security interest (other than the security interest created under the GSD) granted in the Collection Account or any proceeds from the Collection Account.

You may rely on any notice and/or instructions reasonably believed by you to be genuine and correct and in the case of a notice and/or instruction purporting to be from the Secured Party, signed by two persons who purport to be authorised officers of the Secured Party. We acknowledge and agree that you can rely on such notice and/or instructions and will not be held liable for acting in good faith on the notice and/or instruction to the extent that you and your officers have not been guilty of fraud, wilful misconduct or negligence.

You are not liable for any stamp duty that may arise out of this arrangement.

Please acknowledge receipt of this notice by signing and returning a copy of this notice. The acknowledgment will be your confirmation for the benefit of the Secured Party that:

1. you will comply with the above directions and not pay money in the Collection Account to us or anyone else without the Secured Party's consent;
2. you waive any right of set-off or combination or any security interest to the extent it would affect the Collection Account;
3. without limiting paragraph 2, you agree to, if requested by the Secured Party, subordinate in favour of the Secured Party, any security interest in the Collection Account that you have perfected by control to the security interest created under the GSD; and
4. you have received no notice of any prior security interest granted in the Collection Account or any proceeds from the Collection Account.

Terms defined in the *Personal Property Securities Act 2009* (Cth) have the same meaning when used in this notice.

Receipt and agreement confirmed:

Signed for and on behalf of **AVITA Medical Pty Limited**

Signed for and on behalf of [***Financial institution name***]

Title: _____

Date: _____

Receipt and agreement confirmed:

Signed for and on behalf of
ORCO IV LLC

Title: ____

Date: ___

Schedule 2 – Serial Numbered Property

Serial Numbered Property (including motor vehicle(s), aircraft, watercraft, design(s), patent(s), plant breeder's right(s) and trade mark(s)) which is material to the Grantor's business:

Terms used in this Schedule have the same meaning as in the PPSA and the PPS Regulations (as applicable).

Motor vehicles

Complete if any Serial Numbered Property consists of any motor vehicle(s):

vehicle identification number (if any)	chassis number (if any)	manufacturer's number
None as at the date of this document	None as at the date of this document	None as at the date of this document

Aircraft

Complete if any Serial Numbered Property consists of any aircraft:

nationality*	registration mark*	manufacturer's serial number	manufacturer's name	manufacturer's model description
None as at the date of this document	None as at the date of this document	None as at the date of this document	None as at the date of this document	None as at the date of this document

* to be included in the case of small aircraft and to be assigned by the Chicago Convention

Watercraft

Complete if any Serial Numbered Property consists of any watercraft:

manufacturer's number*	official number (if any)	hull identification number
None as at the date of this document	None as at the date of this document	None as at the date of this document

* to be included in the case of an outboard motor

Designs

Complete if any Serial Numbered Property consists of any design(s):

design number* (if any)	design application number*
None as at the date of this document	None as at the date of this document

* as issued by IP Australia

Patents

Complete if any Serial Numbered Property consists of any patent(s):

patent number (if any)	patent application number (if any)	Jurisdiction
9029140	13/036,569	USA
AU2013202587B2	2013202587	Australia
BR112014023272B1	BR1120140232725	Brazil
CA2874091	CA2874091	Canada
EP2828378B1	EP2013764726	Germany
Pending	CN201380024737	China
ES2864772T3	EP2013764726	Spain
EP2828378B1	EP2013764726	France
EP2828378B1	EP2013764726	United Kingdom
Pending	HK15108195	Hong Kong
EP2828378B1	EP2013764726	Italy
Pending	EP2021156318	European Patent Office
Pending	16/592,108	United States of America
Pending	16/592,117	United States of America
AU2013205148B2	2013205148	Australia
Pending	CA2906088	Canada
CN105189729B	CN201480025699.5	China
EP2970856B1	EP2014770177	Germany
ES2759063T3	ES2014770177T	Spain
EP2970856B1	EP2014770177	France
EP2970856B1	EP2014770177	United Kingdom
HK1219291	HK16107310	Hong Kong
EP2970856B1	EP2014770177	Italy
JP6479757B2	JP2016-502942	Japan
US10626358B2	14/776,038	United States of America
Pending	CN201911343417.7	China
Pending	EP2019208169	European Patent Office
Pending	HK42020021909	Hong Kong
US11124752B2	16/787,882	United States of America
Pending	18/370,842	United States of America

AT510548T	AT2002709917T	Austria
AU2002227802B2	AU2002227802	Australia

patent number (if any)	patent application number (if any)	Jurisdiction
BRPI0206692B1	BRPI0206692	Brazil
DE60240127T2	DE60240127	Germany
1357922	1357922	Spain
1357922	027099175	Belgium
EP1357922	EP2002709917	France
EP1357922	EP2002709917	United Kingdom
HK1057713	4100628.6	Hong Kong
EP1357922	EP2002709917	Italy
JP5214085	2002-562365	Japan
EP1357922	EP2002709917	Netherlands
EP1357922	EP2002709917	Portugal
EP1357922	EP2002709917	Sweden
EP1357922	EP2002709917	Turkey
AT717889	AT2010184235T	Austria
EP2343079	10184235.9	Belgium
DE60247071T2	60247071-4	Germany
EP2343079	10184235.9	Spain
EP2343079	10184235.9	France
EP2343079	10184235.9	United Kingdom
EP2343079	10184235.9	Italy
EP2343079	10184235.9	Netherlands
PT1357922E	PT2002709917T	Portugal
EP2343079	10184235.9	Sweden
EP2343079	10184235.9	Turkey
DE60249971T2	DE60249971	Germany
EP2957288	15159890.1	Spain
EP2957288	15159890.1	France
EP2957288	15159890.1	United Kingdom
HK16100778	HK16100778	Hong Kong
EP2957288	15159890.1	Italy

JP6042377	JP2014134495	Japan
9078741	13/223,577	United States of America
9867692	14/645,933	United States of America

patent number (if any)	patent application number (if any)	Jurisdiction
10729536	15/838,429	United States of America
10729536	16/436,693	United States of America

Plant breeder's rights

Complete if any Serial Numbered Property consists of any plant breeder's right(s):

plant breeder's right number* (if any)	plant breeder's right application number*
None as at the date of this document	None as at the date of this document

* as issued by IP Australia

Trade marks

Complete if any Serial Numbered Property consists of any trade mark(s):

trade mark number (if any)	trade mark application number	Jurisdiction
2103006	2575728	Argentina
1710701	1258199 (IR number)	Australia
1722240	1265045 (IR number)	Australia
1722242 (Now a National Registration, Transformed from IR 1265047)		Australia
1722241 (Now a National Registration, Transformed from IR 1265046)		Australia
1747552	1284000 (IR number)	Australia
1258199	1258199	Benelux
1265045	1265045	Benelux
1284165	1284165	Benelux
1419798	1265047	Benelux
1419800	1265046	Benelux
1284000	1284000	Benelux
909371300	909371300	Brazil
909371407	909371407	Brazil

827197926	827197926	Brazil
909371482	909371482	Brazil
909370567	909370567	Brazil
909370753	909370753	Brazil
910105227	910105227	Brazil

trade mark number (if any)	trade mark application number	Jurisdiction
910105294	910105294	Brazil
	910105146	Brazil
1258199	1258199	China
1265045	1265045	China
854939	854939	China
1284000	1284000	China
	1265046/47625110	China
1258199	1258199	Colombia
1265045	1265045	Colombia
1284165	1284165	Colombia
1284000	1284000	Colombia
1258199	1258199	Egypt
1265045	1265045	Egypt
1284165	1284165	Egypt
1284000	1284000	Egypt
1258199	1258199	European Union
1265045	1265045	European Union
013919022	013919022	European Union
018261233	1265047	European Union
018261234	1265046	European Union
013920673	013920673	European Union
1072803	1072803	European Union
303407201	303407201	Hong Kong
303407229	303407229	Hong Kong
303407238	303407238	Hong Kong
303407210	303407210	Hong Kong
303558385	303558385	Hong Kong
1258199	1258199	India
1265045	1265045	India
993211	993211	India
993212	993212	India
1284000	1284000	India

1258199	1258199	Iran
1284000	1284000	Iran
	1265045	Iran
1258199	1258199	Israel
1265045	1265045	Israel
328959	1265047	Israel
328960	1265046	Israel

trade mark number (if any)	trade mark application number	Jurisdiction
1284000	1284000	Israel
1258199	1258199	Japan
1265045	1265045	Japan
2020079285	1265047	Japan
2020079284	1265046	Japan
1284000	1284000	Japan
888621	706367 (706367T)	Mexico
1258199	1258199	Oman
1265045	1265045	Oman
1284165	1284165	Oman
1284000	1284000	Oman
1258199	1258199	Republic of Korea
1265045	1265045	Republic of Korea
854939	854939	Republic of Korea
4020200112897	1265047	Republic of Korea
4020200127627	1265046	Republic of Korea
1284000	1284000	Republic of Korea
854939	854939	Singapore
1258199	1258199	Syrian Arab Republic
1265045	1265045	Syrian Arab Republic
1284165	1284165	Syrian Arab Republic
1284000	1284000	Syrian Arab Republic
01888179	104026597	Taiwan R.O.C.
1882092	104026598	Taiwan R.O.C.
01888885		Taiwan R.O.C.
191114045	985783	Thailand
191114073	985784	Thailand
191111618	985786	Thailand
191113559	985779	Thailand
191113564	985780	Thailand

191113555	985781	Thailand
191114048	985782	Thailand
181100952	1008348	Thailand
	985785	Thailand
231111839	1008347	Thailand
1258199	1258199	Turkey
1265045	1265045	Turkey
854939	854939	Turkey
201581059	1265047	Turkey

trade mark number (if any)	trade mark application number	Jurisdiction
201581057	1265046	Turkey
1284000	1284000	Turkey
UK0081258199	1258199	United Kingdom
UK0081265045	1265045	United Kingdom
UK009013919022	013919022	United Kingdom
UK009018261233	1265047	United Kingdom
UK009018261234	1265046	United Kingdom
UK009013920673	013920673	United Kingdom
UK0081072803	1072803	United Kingdom
5703468	86453769	United States of America
5703469	86456218	United States of America
5225178	1284000	United States of America
	88000377	United States of America
	86453832	United States of America
	86452818	United States of America
	86270016	United States of America
4072126	85127139	United States of America
	79180907	United States of America

Signing pages

EXECUTED as a deed.

Each signatory executing this document (electronically or otherwise) intends by that execution to be bound by this document, and where the signatory has signed as an officer or attorney of a party, for that party to be bound by this document. Each attorney signing this document under a power of attorney certifies, by the attorney's signature, that the attorney has no notice of the revocation of the power of attorney.

Grantor

Executed by **AVITA Medical Pty Limited** in accordance with Section 127 of the *Corporations Act 2001* (Cth)

/s/ Lou Panaccio	/s/ Suzanne Mary Crowe
Signature of director	Signature of director/company secretary
Lou Panaccio	Suzanne Mary Crowe
Name of director (printed)	Name of director/company secretary (print)

Secured Party

Signed sealed and delivered by ORCO IV LLC in the presence of

/s/ Brendan Weber	/s/ W. Carter Neild
Signature of witness	Signature of authorised signatory
Brendan Weber	W. Carter Neild
Name of witness	Name of authorised signatory

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT BOTH (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED

EXCLUSIVE DISTRIBUTION AGREEMENT

This Exclusive Distribution Agreement (this **"Agreement"**), is effective as of the date of the last signature (the **"Effective Date"**), and is entered into between AVITA Medical Americas, LLC having its principle place of business at 28159 Avenue Stanford, Suite 220 Valencia, CA (**"Seller"**), and PolyMedics Innovation GmbH having its principle place of business at Heerweg 15 D, Denkendorf, 73770 Germany (**"Distributor"**, and together with Seller, the **"Parties"**, and each, a **"Party"**). This Agreement replaces and supersedes any prior agreements between the Parties, which are of no further effect.

WHEREAS, Seller is in the business of manufacturing and selling the Products (as defined in Schedule A) in the United States;

WHEREAS, Distributor intends to market and sell the Products in Germany, Austria, and Switzerland (the **"Territory"**) with the option for expansion of the Territory to [******] at Seller's sole discretion in accordance with Section 1.2 below;

WHEREAS, Seller desires to appoint Distributor as its exclusive distributor to sell the Products to customers located in the Territory and Distributor desires to accept such appointment, subject to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set out herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Exclusive Appointment & Right of First Refusal.

1.1 Exclusive Appointment. Seller appoints Distributor as its exclusive authorized distributor of the Products listed in Schedule A within the Territory during the Term and Distributor accepts such appointment. Distributor shall not directly or indirectly actively market, advertise, promote, sell, or distribute the Products to any person or entity located outside the Territory, including selling, or distributing the Products to any person where ultimate resale to any person or entity outside the Territory occurs or is reasonably foreseeable to occur. Seller shall not directly or indirectly actively market, advertise, promote, sell, or distribute the Products to any person or entity located in the Territory, including selling, or distributing the Products to any person where ultimate resale to any person or entity in the Territory occurs or is reasonably foreseeable to occur.

1.2 If Seller intends to grant distribution rights for [******] to a third party, Seller shall in advance inform Distributor and distributor shall have, within 30 days after receipt of that information, the right of first negotiation for the respective countries and if Distributor and Seller successfully negotiate terms of such distribution rights, the respective countries shall be added to the exclusive appointment under Section 1.1 above and the Parties shall convene and agree in good faith on a reasonable Minimum Purchase Requirement for those countries.

2. Conduct of the Parties. The Parties agree that the essence of their business relationship shall be built on providing both Parties with predictability, responsiveness, dependability, and communication. To that end, the Parties agree:

2.1 Upon receipt of a reasonable request for a specific action, the receiving Party shall reply within five business days stating either (i) the date upon which it will provide the corresponding deliverable, or (ii) a counter proposal for achieving the same business goal.

2.2 Should any governmental entity with jurisdiction over the use or sale of the Products in the Territory request information that is in the other Party's possession, that Party shall have three business days from the date of receipt of such request to (i) provide the information to the requesting Party; or (ii) propose an alternative due date for the deliverable.

2.3 Should either Party experience difficulty in meeting the terms in this Section 2, that Party shall promptly communicate the difficulty to the other Party's designated contact.

3. Distribution Services

3.1 Distributor Obligations. Distributor shall:

(a) comply with all local laws and regulations regarding the marketing, promotion, and sale of the Products;

(b) during the Term and any extension of the Term, not engage, directly or indirectly, without the written consent of Seller, in the sale in the Territory, production for the Territory, licensing for the Territory, promotion, advertising, or distribution of any multi-phenotype suspension of spray-on skin cells ("**Competing Products**") in the Territory.

(c) market, advertise, promote, and sell the Products in the Territory in a manner that reflects favorably at all times on the Products and the good name, goodwill, and reputation of Seller and consistent with good business practice, in each case using its reasonable best efforts to maximize the sales volume of the Products;

(d) maintain a place or places of business in the Territory, including adequate office, storage, and warehouse facilities and all other facilities as required for Distributor to perform its duties under this Agreement;

(e) purchase and maintain at all times a representative quantity of each Product sufficient for and consistent with the needs of customers in the Territory;

(f) have sufficient knowledge of the industry and products competitive with the Products (including specifications, features, and benefits) so as to be able to explain in detail to customers:

(i) the differences between the Products and competing products; and

(ii) information on standard protocols and features of each Product;

(g) establish and maintain a sales and marketing organization sufficient to develop to the satisfaction of Seller the market potential for the sale of the Products, and independent sales representatives, facilities, and a distribution organization sufficient to make the Products available for shipment by Distributor to each of its customers in the Territory within a reasonable period of time on receipt of order;

(h) develop and execute a marketing plan sufficient to fulfill its obligations under this Agreement;

(i) not make any materially misleading or untrue statements concerning Seller or the Products, including refraining from any disparagement of Seller or the Products;

(j) submit to Seller complete and accurate monthly reports including at a minimum the items listed in Schedule B and maintain books, records and accounts of all transactions and permit full examination thereof by Seller; and

(k) use commercially reasonable efforts to take all steps necessary in order to have the Products declared reimbursable by the relevant payors in the Territory as soon as possible, but no later than [******].

3.2 Seller Obligations. Seller shall:

(a) provide any information and support that may be reasonably requested by Distributor regarding the marketing, advertising, promotion, and sale of Products;

(b) allow Distributor to participate, at its own expense, in any marketing, advertising, promotion, and sales programs or events that Seller may make generally available to its authorized distributors of Products, provided that Seller may alter or eliminate any program at any time;

(c) provide promotional information and material for use by Distributor in accordance with this Agreement;

(d) once per calendar year, provide up to four nonconsecutive weeks of in-person training to Distributor employees at Distributor's facility. Distributor must explicitly request this training in writing and Seller shall respond within thirty days;

(e) respond to Distributor's questions related to technical or market access issues within five business days; and

(f) Promptly obtain and during the Term always maintain full marketing authorization for the Products in the whole Territory under applicable law.

3.3 Regulatory Obligations.

(a) Distributor shall not, except with the prior written approval of Seller, (i) make available in the Territory a Product under Distributor's name, registered trade name or registered trademark, (ii) change the intended purpose of a Product, or (iii) modify a Product in such a way that compliance with the applicable requirements may be affected.

(b) Seller shall be responsible for maintaining EU and Swiss CE marks.

(c) Seller has appointed Emergo Europe B.V. as authorized representative in accordance with Art. 11 of regulation (EU) 2017/745 on medical devices, as amended from time to time and Emergo Europe B.V. as authorized representative in

accordance with applicable Swiss medical devices regulations (each a "Seller Regulatory Representative"), each as amended from time to time. Seller may at any time change the Seller Regulatory Representatives and notify Distributor. Subject to and in accordance with instructions by Seller, Distributor shall involve the Seller Regulatory Representatives in all regulatory matters in the EU and Switzerland in accordance with regulation applicable laws, including (i) to provide copies of the regulatory documentation and updates thereof as well as copies of any requests by competent regulatory authorities, (ii) to involve it in any discussions or communications with health authorities or in connection with regulatory approvals, (iii) to involve it in any regulatory actions in the Territory, (iv) to inform it about complaints and reports from healthcare professionals, patients and users about suspected incidents related to a Product, and (v) to support the Seller Regulatory Representatives upon request in all other matters and means deemed necessary by an Seller Regulatory Representative.

(d) Distributor shall keep up to date records demonstrating at all times to which Customers it has sold any Product and require any of its customers who are not end customers to so, allowing for a traceability of the Products to the final customer.

(e) The Parties may specify or change the regulatory obligations with respect to the performance of this Agreement by entering into a separate Quality Agreement.

4. Agreement to Purchase and Sell Products; Minimum Purchase Requirements.

4.1 Terms of Sale; Orders. Seller shall make available and sell Products to Distributor at the prices and under the terms and conditions of this Section 4.

4.2 Price.

(a) For every quarter of the calendar year 2024 and thereafter, no later than the 15th day of the first month of each quarter, Distributor shall provide monthly the report described in Schedule B. The price of the Products for that quarter shall be 50% of the average sales price ("ASP") of the product from the second last quarter. The ASP shall be expressed in Euros and sales made in Swiss Francs shall, for the calculation of the ASP, be converted by the Distributor to Euros.

(b) All prices are exclusive of all sales, use and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any governmental authority on any amounts payable by Distributor under this Agreement.

(c) Distributor is responsible for all charges, costs, and taxes, provided that, Distributor is not responsible for any taxes imposed on, or regarding, Seller's income, revenues, gross receipts, personnel or real or personal property or other assets.

(d) Distributor shall pay interest on all late payments, calculated daily and compounded monthly, at the lesser of the rate of ten percent per month or the highest rate permissible under applicable law, whichever is lower.

4.3 Payment Terms. Distributor shall pay all properly invoiced amounts due to Seller within sixty days from Distributor's receipt of such invoice. Distributor shall make all payments

in United States Dollars (USD) by wire transfer or automated clearing house. Seller's bank wire information is provided in Schedule A.

4.4 Availability/Changes in Products. Seller may, in its sole discretion, add or make changes to Products in, or remove Products from Schedule A upon one-year prior notice to Distributor, in each case, without obligation to modify or change any Products previously delivered or to supply new goods meeting earlier specifications. In case Products which are removed by Seller from Schedule A represent a separate category of Products, Distributor´s non-competition obligations under Section 3.1(b) above shall no longer apply in respect to such category of Products, but Seller´s obligation under the exclusivity granted under Section 1.1 not to distribute such category of Products in the Territory other than through the Distributor shall survive such removal of such Products.

4.5 Minimum Purchase Requirements. Distributor's purchasing of Products from Seller shall be subject to certain minimum purchase requirements, the timing and establishment of which is explained below.

(a) Within thirty days of the Effective Date, Distributor and Seller shall mutually agree on the minimum number of Products that Distributor is required to purchase from Seller for Q4 2023 (**"Initial Minimum Purchase Requirement"**).

(b) No later than November 30, 2023 (and annually thereafter until the termination or expiration of this Agreement), Distributor shall provide to Seller its proposed minimum purchase requirement for the upcoming year divided quarterly which, for each of the first three years after the Effective Date, shall be greater than or equal to a [******] percent increase year over year. The Seller may accept the proposal or reject it and negotiate with Distributor. If the Parties reach an agreement on a requirement, that agreed-upon requirement shall become the **"Minimum Purchase Requirement"**. If the Parties are unable to agree on a new Minimum Purchase Requirement within thirty days, each Party shall be entitled to terminate this Agreement with 12 months' notice effective at the end of a calendar year. For the time between declaration of such termination and the end of the respective calendar year, no Minimum Purchase Requirements shall apply, and Seller shall be relieved of the Exclusivity provisions of Section 1.

(c) If Distributor purchases, in a given period of time, less than the Initial Minimum Purchase Requirements or the Minimum Purchase Requirements, as the case may be, Distributor shall not be required to purchase the missing volume of Products, but the failure to reach the Minimum Purchase Requirements shall only result in Seller´s termination right under Section 10.3(a)(i) below and in no other claims whatsoever of Seller against Distributor.

4.6 Exchange Rate Risk-Sharing. If the exchange rate between the United States Dollar (USD) and the Euro fluctuates more than ten percent for two consecutive quarters, the Parties agree to bear the change equally and adjust the then-applicable Products price in proportion to fifty percent of the two quarters' change. By way of example only, if the exchange rate fluctuates twenty percent across two consecutive quarters, the Products' price shall be adjusted by ten percent.

4.7 Growth Rebate. If sales in a given calendar year are more than 50% higher than sales in the immediately prior calendar year (a “Growth Year”), Seller shall pay to Distributor a one-time rebate of [******]% of Distributor’s total purchase price of Products from Seller for that Growth Year within sixty days of the end of the Growth Year. Provided, however, that no calendar year may be a Growth Year if the Agreement was not continuously in effect for twelve months prior to the first day of that Growth Year.

5. Distributor Reporting Obligations.

5.1 Customer Complaints and Adverse Events. Distributor shall report to Seller as without undue delay after such complaint has come to Distributor´s attention, any complaint from a customer concerning the use of a Product or any report of an adverse patient reaction from being treated with a Product. In the event of death or an unanticipated serious deterioration in a person's state of health; the report shall be provided by Distributor to Seller immediately.

Reports shall be made to Seller’s Quality Assurance Department via email: [******].

5.2 Monthly Reporting. Beginning on the one-month anniversary of the Effective Date, and continuing until the Agreement expires or is terminated, Distributor shall deliver to Seller a report in compliance with the requirements of Schedule B. If Distributor’s forecast required by Schedule B indicates a failure or anticipated failure to reach the Minimum Purchase Requirement for two consecutive quarters, Seller may elect to treat this failure as a breach under Section 10.3(a)(i).

6. Orders Procedure.

6.1 Purchase Orders. Distributor shall issue all purchase orders (**"Purchase Order(s)"**) to Seller in written form via e-mail. By placing an order, Distributor makes an offer to purchase Products under the terms and conditions of this Agreement and the following commercial terms listed in the purchase order (**"Purchase Order Transaction Terms"**), and on no other terms: (a) the Products to be purchased, including Product names (b) the quantities ordered; and (c) the requested delivery date. Except regarding the Purchase Order Transaction Terms, any variations made to the terms and conditions of this Agreement by Distributor in any Purchase Order are void and have no effect.

6.2 Acceptance and Rejection of Purchase Orders. Seller, in its sole discretion, may accept or reject any Purchase Order. Seller may accept any Purchase Order by confirming the order (whether by written confirmation, invoice, or otherwise) or by delivering the Products, whichever occurs first. If Seller does not accept the Purchase Order under the terms of this Section 6.2 within thirty days of Seller's receipt of the Purchase Order, the Purchase Order will lapse. Distributor has no right to cancel any Purchase Order submitted by it. If Seller rejects a Purchase Order or it lapses, or if Seller does not ship Products under an order, the quantity of Products which was subject of such Purchase Order shall nevertheless count against Seller´s Minimum Purchase Requirements for the respective quarter.

7. Shipment and Delivery.

7.1 Shipment and Delivery Requirements. Unless otherwise expressly agreed to by the Parties, Seller shall deliver the Products to a shipping company at Seller's facility, using Seller's standard methods for packaging and shipping the Products. Seller may, in its sole discretion, without liability or penalty, make partial shipments of Products, each of which constitutes a separate sale, and Distributor shall pay for the units shipped in accordance with the payment terms specified in 44.3 whether such shipment is in whole or partial fulfillment of a Purchase Order, provided, however, that if partial shipments are made, Seller shall reimburse to Distributor the difference between the transportation costs which Distributor has paid for all partial shipments and the transportation costs which Distributor would have had to pay if all the partial shipments would have been made in one shipment. Seller will use commercially reasonable efforts to timely provide the Products for shipment to meet the times quoted for delivery.

7.2 Title and Risk of Loss. Title and risk of loss passes to Distributor upon departure of the Products from a Seller facility.

7.3 Acceptance of Products. Distributor shall inspect Products received under this Agreement. Within five business days after receipt of the Products at Distributor´s facility, Distributor shall check the Products for identity of the ordered Products to the ordered products, for quantity and for visible damages. Distributor shall be deemed to have accepted the Products in respect to identity, quantity, and visible defects after such five business days term unless it earlier notifies Seller in writing (email being sufficient) and furnishes written evidence or other documentation as required by Seller that the Products have visible defects or do not conform to the ordered quantity or are not identical to the ordered Products. If Distributor later detects defects of the Products, it shall notify Seller in writing (email being sufficient) within five business days after detection of such defect.

If Distributor notifies Seller pursuant to this Section 7.3, then Seller shall determine, in its sole discretion, whether to repair or replace the Products.

Distributor shall ship at Seller´s expense and risk of loss, all goods to be returned, repaired, or replaced under this Section 7.3 to Seller's facility located at AVITA Medical Americas, LLC, [******], United States. If Seller exercises its option to replace the Products, Seller shall, after receiving Distributor's shipment of the Products under this provision, ship to Distributor, at Seller's expense and Seller´s risk of loss, the replaced Products to an address of Distributor's choosing. .

Except as provided under Sections 7.3 and 14.1, all sales of Products to Distributor under this Agreement are made on a one-way basis and Distributor has no other right to return Products purchased under this Agreement.

8. Seller's Trademark License Grant. Seller hereby grants to Distributor a non-exclusive, non-transferable, and non-sublicensable license in the Territory during the Term solely in connection with the promotion, advertising, and sale of the Products in accordance with the terms and conditions of this Agreement to use all Seller's trademarks and service marks, whether registered or unregistered, including the listed registrations and applications and any registrations which may be granted pursuant to such applications. On expiration or earlier termination of this Agreement or upon Seller request, Distributor shall promptly discontinue the display or use of any trademark or service mark or change the way it is displayed or used with regard to the Products.

Upon expiration or earlier termination of this Agreement, Distributor's rights under this Section 8 shall cease immediately. Other than the express licenses granted by this Section 8, Seller grants no right or license to Distributor, by implication, estoppel or otherwise, to the Products or any intellectual property rights of Seller or its affiliates.

9. Distributor's Handling of Products and Promotional Materials.

9.1 The handling and intake of the Products and the storage of the Products by Distributor shall be in strict accordance with any and all instructions and quality requirements of Seller, unless a regulatory body with jurisdiction over the Products in the Territory or Distributor provide stricter requirements, in which case the most stringent requirement shall govern. Distributor shall not re-sterilize without the prior written consent of Seller.

9.2 Distributor shall have no right to alter the original labeling or packaging of the Products unless required by the law in the Territory. Distributor shall consult with Seller if such change is required. Distributor represents and warrants that in the promotion of the Products it shall only use unaltered (other than accurate translation into the native language of the Territory) promotional materials produced by Seller and approved by Seller's internal medical-legal-regulatory review team. In the event this Section 9.2 conflicts with Section 12 ("Compliance with Laws") Distributor shall notify Seller and work collaboratively with Seller to reach a solution. If Distributor identifies a promotional need not addressed by Seller's approved promotional materials, Distributor shall notify Seller and work collaboratively with Seller to reach a solution.

9.3 Distributor represents and warrants that any translation of written materials related to the Products, including but not limited to their instructions for use and labeling, are accurate translations in the native language of the Territory.

10. Term; Termination.

10.1 Term. The term of this Agreement commences on the Effective Date and terminates on the fifth anniversary of that date, unless terminated earlier under the terms of this Agreement. (the **"Term"**). At least thirty days before the expiration of the Term, the Parties may extend the Term by a mutual written agreement. If Distributor has successfully met the Minimum Purchase Requirements for the entire duration of the Term, the Agreement shall automatically renew for additional five-year period (the "**Renewal Term**"), unless terminated earlier under the terms of this Agreement, subject to an adjustment of Minimum Purchase Requirements as set forth in Section 4.5(b) above. This renewal for additional five-year Renewal Term shall be revolving, which means that if at the end of such Renewal Term the conditions for another Renewal Term are met, this Agreement shall again automatically renew.

10.2 Mutual Termination Rights. Either Party may terminate this Agreement upon notice to the other Party if the other Party is in material breach of this Agreement and either the breach cannot be cured or, if the breach can be cured, it is not cured within forty-five days following the other Party's receipt of notice of such breach. Either Party may also terminate this Agreement if the other Party:

(i) becomes insolvent or is generally unable to pay, or fails to pay, its debts as they become due;

(ii) files or has filed against it, a petition for voluntary or involuntary bankruptcy or otherwise becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law;

(iii) seeks reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition, or other relief with respect to it or its debts;

(iv) makes or seeks to make a general assignment for the benefit of its creditors; or

(v) applies for or has a receiver, trustee, custodian, or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business.

10.3Seller Termination Rights.

(a) Seller may terminate this Agreement if Distributor:

(i) after the one-year anniversary of the Effective Date, fails to meet the Minimum Purchase Requirement for two consecutive quarters, provided however that for termination under this sub-Section 10.3(a) Seller shall pay to Distributor one year of Distributor's gross annual profits based on the gross profits of the immediately preceding two quarters; or

(ii) is indicted under any Anti-Bribery Law or conducts itself in such a way that raises a reasonable suspicion that it has violated any Anti-Bribery Law as defined in sub-Section 13.1. For the avoidance of doubt, this sub-Section 10.3(a)(ii) also applies to any employees, agents, directors, and officers of Distributor.

(b) In the event Seller reasonably anticipates the sale of more than 50% of Seller's equity or a sale of substantially all of its assets (each a "Change of Control") Seller may terminate this Agreement upon one-year written notice. In lieu of one year notice, Seller may elect to pay Distributor one year of Distributor's gross annual profits based on the gross profits of the immediately preceding two quarters.

10.4Effect of Expiration or Termination. Upon the expiration or earlier termination of this Agreement:

(a) All outstanding Purchase Orders shall not be affected by the termination;

(b) Each Party shall promptly return or destroy all documents and tangible materials (and any copies) containing, reflecting, incorporating, or based on the other Party's Confidential Information;

(c) If applicable, Distributor shall transfer any and all reimbursement approvals to an entity of Seller's choosing within sixty days of termination or expiration of the Agreement;

(d) Distributor shall transfer (or provide an unlimited, worldwide, fully paid-up license to) any and all intellectual property created by Distributor in performance of this Agreement; and

(e) Seller shall repurchase, in consideration for the original Seller´s purchase price, all Distributor's inventory of Product with at least six months shelf life remaining, except for such Products which are subject of a binding purchase agreement between Distributor and a customer.

11. Confidential Information. From time to time during the Term, either Party may disclose or make available to the other Party information about its business affairs, products, confidential intellectual property, trade secrets, third-party confidential information, and other sensitive or proprietary information (collectively, **"Confidential Information"**). Confidential Information shall not include information that: (a) at the time of disclosure or later is in the public domain; (b) is known to the receiving party at the time of disclosure; or (c) is rightfully obtained by receiving party on a non-confidential basis from a third party or (d) is developed by the receiving party independent from and without use of the disclosing party´s Confidential Information.

The receiving party shall not disclose any such Confidential Information to any person or entity, except to the receiving party's employees who have a need to know the Confidential Information for the receiving party to perform its obligations hereunder.

12. Compliance with Laws. Distributor represents and warrants to Seller that (a) Distributor is in compliance with and shall comply with all applicable laws, regulations, and ordinances, including but not limited to all laws in the Territory regarding the sale and promotion of the Products, the EU General Data Protection Regulations, as applicable; and (b) Distributor has and shall maintain in effect all the licenses, permissions, authorizations, consents, and permits that it needs to carry out its obligations under this Agreement.

13. Anti-Bribery Representations and Warranties. Each party represents and warrants to the other party that:

13.1 Such party and its shareholders, partners, officers, directors, employees, agents, and anyone acting on its behalf (collectively, the **"Representatives"**) are and shall remain in compliance with all applicable anti-bribery and anti-corruption laws, including the US Foreign Corrupt Practices Act and any laws or regulations of the Territory concerning similar subject matter (collectively, the **"Anti-Bribery Laws"**).

13.2 Neither such party nor any of its Representatives has, directly or indirectly, offered, paid, promised, or authorized the giving of money or anything of value to any:

(a) Government Official (as defined in Section 13.5(c));

(b) person or entity; or

(c) other person or entity while knowing or having reason to believe that some portion or all of the payment or thing of value will be offered, given, or promised, directly or indirectly, to a Government Official or another person or entity; for the purpose of:

(i) influencing any act or decision of such Government Official or such person or entity in their official capacity, including a decision to do or omit to do any act in violation of their lawful duties or proper performance of functions; or

(ii) inducing such Government Official or such person or entity to use their influence or position with any Government Entity or other person or entity to influence any act or decision.

in order to obtain or retain business for, direct business to, or secure an improper advantage for a party to this Agreement.

13.3Neither such party nor any of its Representatives:

(a) is a Government Official or employs any Government Official or Close Family Member of any Government Official; or

(b) has a personal, business, or other relationship or association with any Government Official or Close Family Member of any Government Official who may have responsibility for or oversight of any business activities of Seller or any of its subsidiaries, other than any relationships or associations that have been disclosed in writing to the other party.

13.4Neither such party nor any of its Representatives is or has been the subject of any investigation, inquiry, or enforcement proceeding by any court, governmental, administrative, or regulatory body, or customer regarding any violation or alleged violation of any Anti-Bribery Law. To the knowledge of such party, (i) no such investigation, inquiry, or proceeding has been threatened or is pending; and (ii) there are no circumstances likely to give rise to any such investigation, inquiry, or proceeding.

13.5For purposes of this Agreement:

(a) **"Close Family Member"** means (i) the individual's spouse; (ii) the individual's and the spouse's grandparents, parents, siblings, children, nieces, nephews, aunts, uncles, and first cousins; (iii) the spouse of any persons listed in subcategory (ii); and (iv) any other person who shares the same household with the individual.

(b) **"Government Entity"** means (i) any national, state, regional, or local government (including, in each case, any agency, department, or subdivision of such government); (ii) any political party; (iii) any entity or business that is owned or controlled by any of those bodies listed in subcategory (i) or (ii); or (iv) any international organization, such as the United Nations or the World Bank.

(c) **"Government Official"** means (i) any director, officer, employee, agent, or representative (including anyone elected, nominated, or appointed to be a director, officer, employee, agent, or representative) of any Government Entity, or anyone otherwise acting in an official capacity on behalf of a Government Entity; (ii) any political party, political party official, or political party employee; (iii) any candidate for public or political office; (iv) any royal or ruling family member; or (v) any agent or representative of any of those persons listed in subcategories (i) through (iv).

13.6such party has adopted and maintains adequate policies, procedures, and controls to ensure that Distributor has complied and is in compliance with all Anti-Bribery Laws, including at a minimum policies and procedures relating to prevention of bribery, accounting for financial transactions, due diligence on third parties, and training of personnel.

14. Limited Product Warranty and Disclaimer.

14.1Limited Product Warranty. Seller warrants that the Products are free from defects in material and workmanship under normal use and service with proper maintenance, that the Products are fit for their intended purpose, and that the Products do not infringe upon Third Party´s intellectual property rights, both for a period of time which shall be the shelf life of the Products plus three months. The term for such warranties shall begin upon receipt of the Product by Distributor at its facility. Distributor or its customer shall promptly notify Seller of any known warranty claims and shall cooperate in the investigation of such claims. If any Product is proven to not conform with this warranty during the applicable warranty period, Seller shall, at its exclusive option, either repair or replace the Product or, if such repair or replacement is not successful, refund the purchase price paid by Distributor for each non-conforming Product. Any Product returned under this Section shall follow the return procedure in Section 7.3.

Seller shall have no obligation under the warranty set forth above if Distributor or its customer:

(a) fails to notify Seller in writing during the warranty period of a non-conformity; or

(b) uses, misuses, or neglects the Product in a manner inconsistent with the Product's specifications or use or maintenance directions, modifies the Product, or improperly installs, handles, or maintains the Product.

Except as explicitly authorized in this Agreement or in a separate written agreement with Seller, Distributor shall not service, repair, modify, alter, replace, reverse engineer, or otherwise change the Products it sells to its customers. Notwithstanding Distributor´s statutory warranty towards its customers, Distributor shall not provide its own warranty regarding any Product which goes beyond the statutory warranty.

14.2DISCLAIMER. EXCEPT FOR THE WARRANTIES SET OUT UNDER THIS SECTION 14, NEITHER SELLER NOR ANY PERSON ON SELLER'S BEHALF HAS MADE OR MAKES FOR DISTRIBUTOR'S OR ITS CUSTOMERS' BENEFIT ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WHATSOEVER, DISTRIBUTOR ACKNOWLEDGES THAT IT HAS NOT RELIED ON ANY REPRESENTATION OR WARRANTY MADE BY SELLER, OR ANY OTHER PERSON ON SELLER'S BEHALF EXCEPT THOSE SET FORTH IN THIS AGREEMENT.

15. Distributor´s Indemnification. Subject to the terms and conditions of this Agreement, Distributor shall indemnify, hold harmless, and defend Seller and its parent, officers, directors, partners, members, shareholders, employees, agents, affiliates, successors, and permitted assigns (collectively, **"Seller Indemnified Party"**) against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including attorneys' fees, fees and the costs of enforcing

any right to indemnification under this Agreement, and the cost of pursuing any insurance providers relating to any claim of a third party or Seller arising out of or occurring in connection with: (a) Distributor's acts or omissions as Distributor of the Products, including negligence, willful misconduct, or breach of this Agreement; (b) Distributor or its employees or agents making assertions or promoting claims about the Product that do not conform with the Products' approved indications; (c) Distributor or its employees or agents whether willfully or negligently, using the Product outside of its approved specifications and instructions for use; (d) any failure by Distributor or its personnel to comply with any applicable laws; or (e) any breach of Distributor of its agreement with a third party as a result of or in connection with entering into, performing under, or terminating this Agreement.

16. Indemnification. Subject to the terms and conditions of this Agreement, Seller shall indemnify, hold harmless, and defend Distributor and its parent, officers, directors, partners, members, shareholders, employees, agents, affiliates, successors, and permitted assigns (collectively, "**Distributor Indemnified Party**") against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including attorneys' fees, fees and the costs of enforcing any right to indemnification under this Agreement, and the cost of pursuing any insurance providers relating to any claim of a third party or Distributor arising out of or occurring in connection with: (a) Seller´s acts or omissions as Seller of the Products, including negligence, willful misconduct, or breach of this Agreement; (b) Seller or its employees or agents making assertions or promoting claims about the Product that do not conform with the Products' approved indications; (c) any failure by Distributor or its personnel to comply with any applicable laws (d) product liability claims of third parties in respect to the Products, except if such Products have been used outside of its approved specifications and instructions, as set forth in the instruction for use and except if the Products have been modified by the Distributor; or (e) any breach of Seller of its agreement with a third party as a result of or in connection with entering into, performing under, or terminating this Agreement.

17. Limitation of Liability. IN NO EVENT SHALL A PARTY OR ANY OF ITS REPRESENTATIVES BE LIABLE FOR, OR BE OBLIGED TO INDEMNIFY THE OTHER PARTY FROM, CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR ENHANCED DAMAGES, ARISING OUT OF, OR RELATING TO, AND/OR IN CONNECTION WITH ANY BREACH OF THIS AGREEMENT, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER OR NOT SUCH PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED. IN NO EVENT SHALL A PARTY´S LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID AND AMOUNTS ACCRUED BUT NOT YET PAID BY DISTRIBUTOR TO SELLER UNDER THIS AGREEMENT IN THE THREE MONTH PERIOD PRECEDING THE EVENT GIVING RISE TO THE CLAIM
THE FOREGOING LIMITATIONS APPLY EVEN IF THE OTHER PARTY´S REMEDIES UNDER THIS AGREEMENT FAIL OF THEIR ESSENTIAL PURPOSE.

18. Insurance. For a period of two years after the Effective Date, each party shall, at its own expense, maintain and carry insurance in full force and effect that includes, but is not limited to, commercial general liability (including product liability) with limits no less than $3MM

USD for each occurrence and $5MM USD in the aggregate with financially sound and reputable insurers. Upon the other party´s request, a party shall provide such other party with a certificate of insurance and policy endorsements for all insurance coverage required by this Section 18 and shall not do anything to invalidate such insurance. Each party shall provide the other party with ninety days' advance written notice in the event of a cancellation or material change in its insurance policy.

19. Seller´s assistance to Distributor. If Distributor is exposed to claims of third parties related to the performance or failure of the Products (including, but not limited to, customers of Distributor), Seller shall, at Distributor's expense, use reasonable best efforts to assist Distributor in the defense against such claims, including but not limited to, through the provision of documents and studies on the Products.

20. Entire Agreement. This Agreement, including and together with any related exhibits, schedules, and attachments constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, regarding such subject matter. In the event of conflict between the terms of this Agreement and the terms of any purchase order or other document submitted by one Party to the other, this Agreement shall control unless the Parties specifically otherwise agree in writing.

21. Survival. Subject to the limitations and other provisions of this Agreement: (a) the representations and warranties of the Distributor contained herein will survive the expiration or earlier termination of this Agreement for a period of eighteen months after such expiration or termination; and (b) any other provision that, in order to give proper effect to its intent, should survive such expiration or termination, will survive the expiration or earlier termination of this Agreement for the period specified therein, or if nothing is specified for a period of eighteen months after such expiration or termination.

22. Notices. All notices, requests, consents, claims, demands, waivers, and other communications under this Agreement must be in writing and addressed to the other Party at its address set forth below (or to such other address that the receiving Party may designate from time to time in accordance with this Section). Unless otherwise agreed herein, all notices must be delivered by personal delivery, nationally recognized overnight courier, or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a notice is effective only (a) on receipt by the receiving Party, and (b) if the Party giving the notice has complied with the requirements of this Section.

Notice to Distributor:

PolyMedics Innovation GmbH

Heerweg 15 D

Denkendorf, 73770 Germany

Email: Christian.planck@polymedics.com

Notice to Seller:	28159 Avenue Stanford, Suite 220 Valencia, CA, 91355 Attention: Terry Bromley, Senior Vice President, Global Sales [******] CC: Legal Department – [******]

23. Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect the enforceability of any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon a determination that any term or provision is invalid, illegal, or unenforceable, the Parties shall negotiate in good faith to modify this Agreement to affect the original intent of the Parties as closely as possible in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

24. Amendments. No amendment to this Agreement is effective unless it is in writing and signed by an authorized representative of each Party.

25. Waiver. No waiver by any Party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

26. Assignment. Neither Party may assign any of its rights or delegate any of its responsibilities under this Agreement without the prior written consent of the other Party. The other Party shall not unreasonably withhold or delay its consent. Any purported assignment or delegation in violation of this Section 26 shall be null and void.

27. Successors and Assigns. This Agreement is binding on and inures to the benefit of the Parties to this Agreement and their respective permitted successors and permitted assigns.

28. No Third-Party Beneficiaries. Subject to the next paragraph, this Agreement benefits solely the Parties to this Agreement and their respective permitted successors and permitted assigns and nothing in this Agreement, express or implied, confers on any other Person any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

The Parties hereby designate the Distributor Indemnified Parties and the Seller Indemnified Partes as third-party beneficiaries of 1215 and 16 with the right to enforce such Sections.

29. Choice of Law & Forum. This Agreement, including all exhibits, schedules, attachments to this Agreement, and all matters arising out of or relating to this Agreement, are governed by, and construed in accordance with, the laws of Delaware, United States of America, without regard to the conflict of laws of the state of California, USA. The Parties to this Agreement hereby submit to the exclusive jurisdiction of the California courts, both state and federal.

30. Force Majeure. No Party shall be liable or responsible to the other Party, or be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations of the Distributor to make payments to Seller hereunder), when and to the extent such failure or delay is caused by or results from acts beyond the impacted party's (**"Impacted Party"**) control, including, without limitation, the following force majeure events (**"Force Majeure Event(s)"**): (a) acts of God; (b) flood, fire, earthquake, global pandemic, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order, law, or actions; (e) embargoes or blockades in effect after the Effective Date of this Agreement; and (f) national or regional emergency; The Impacted Party shall give notice within five days of the Force Majeure Event to the other Party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the Impacted Party's failure or delay remains uncured for a period of sixty consecutive days following written notice given by it under this Section 30, the other Party may thereafter terminate this Agreement upon ten days written notice.

31. Relationship of the Parties. The relationship between the Parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, franchise, business opportunity, joint venture or other form of joint enterprise, employment, or fiduciary relationship between the Parties, and neither Party shall have authority to contract for or bind the other Party in any manner whatsoever.

32. English Language Controls. This Agreement shall be written and signed in English. In the event of any conflict or inconsistency between the forms of the English language text of this Agreement and any schedules, exhibits, or attachments hereto and any translations thereof, the English text shall prevail. Each Party's signature below indicates proficiency with the English language and complete understanding of all provisions of this Agreement and any schedules, exhibits, or attachments hereto.

33. Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the last date written below by their respective officers thereunto duly authorized.

PolyMedics Innovation GmbH	AVITA Medical Americas, LLC
By__/s/Christian Plancke_____ Name: Christian Plancke Title: Co-CEO	By_/s/James Corbett_____ Name: James Corbett Title: CEO
Date:___11/7/2023_____	Date:____11/8/2023_____

Schedule A

Products and Price List

- "Product" or "Products" means RECELL® 1920, RECELL GO™, RECELL GO™ cartridges, and any new releases, enhancements or modifications thereof as agreed by Distributor and Seller from time to time.
- YEAR 1 PRICING

Product	Price
RECELL® 1920	Per Section 4.2 of the Agreement
RECELL GO™	Per Section 4.2 of the Agreement
RECELL GO™ cartridge	Per Section 4.2 of the Agreement

- AVITA Medical Bank Account: [******]

  Account Number: [******]

  Routing Number ACH/EFT: [******]

  Routing Number DOM. WIRES: [******]

  SWIFT Code: [******]

  Account Name: [******]

  Account Address: 28159 Avenue Stanford Ste 220 Valencia, CA 91355-2203

Schedule B

Monthly Reporting Parameters

Distributor shall provide to Seller, beginning on the tenth business day after the one-month anniversary of the Effective Date, monthly reports that (1) are in English, (2) are in an easily readable, electronic format and (3) provide the following information from the previous calendar month:

- Summary report of all customer complaints reported in accordance with Section 5
- Number of Products sold, by Product name;
- Average sale price of Products, by Product name
- Number of hospitals purchasing;
- Number of new customers;
- Number of patients treated, by indication; (directional, using best commercial efforts to reach on a realistic estimate)
- Market intelligence of competitive activity;
- Emerging training deficits (if any);
- New physician studies involving the Products of which Distributor becomes aware;
- Rolling [******] forecast for Distributor inventory needs to be provided on a quarterly basis, adjustments to be included in the monthly report; and
- Any other pertinent information related to the performance of the Agreement.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated February 22, 2024, with respect to the consolidated financial statements included in the Annual Report of AVITA Medical, Inc. on Form 10-K for the year ended December 31, 2023. We consent to the incorporation by reference of said report in the Registration Statements of AVITA Medical, Inc. on Form S-3 (File No. 333-271276, effective date April 25, 2023) and on Forms S-8 (File No. 333-273072, effective date June 30, 2023; File No. 333-250924, effective date November 24, 2020; and File No. 333-248446, effective date August 27, 2020).

/s/ GRANT THORNTON LLP

Los Angeles, California
February 22, 2024

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James Corbett, certify that:

1. I have reviewed this annual report on Form 10-K for the fiscal year ended December 31, 2023 of AVITA Medical, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 22, 2024

/s/ James Corbett
Name: James Corbett
Title: President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David O'Toole, certify that:

1. I have reviewed this annual report on Form 10-K for the fiscal year ended December 31, 2023 of AVITA Medical, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 22, 2024

/s/ David O'Toole
Name: David O'Toole
Title: Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each of the undersigned officers of AVITA Medical, Inc. (the "Company"), does hereby certify, to such officer's knowledge, that:

The Annual Report on Form 10-K for the annual period ended December 31, 2023 of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 22, 2024

/s/ James Corbett
Name: James Corbett
Title: President and Chief Executive Officer

Dated: February 22, 2024

/s/ David O'Toole
Name: David O'Toole
Title: Chief Financial Officer

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Form 10-K or as a separate disclosure document.

Exhibit 97.1

AVITA MEDICAL, INC.

INCENTIVE-BASED COMPENSATION RECOVERY POLICY

ADOPTED NOVEMBER 8, 2023

1. Policy Purpose. The purpose of this AVITA Medical, Inc. (and its subsidiaries and affiliates) (the "Company") Incentive-Based Compensation Recovery Policy (the "Policy") is to enable the Company to recover Erroneously Awarded Compensation in the event that the Company is required to prepare an Accounting Restatement. This Policy is intended to comply with the requirements set forth in Listing Rule 5608 of the corporate governance rules of The Nasdaq Stock Market (the "Listing Rule") and shall be construed and interpreted in accordance with such intent. Unless otherwise defined in this Policy, capitalized terms shall have the meaning ascribed to such terms in Section 7. This Policy shall become effective on December 1, 2023. Where the context requires, reference to the Company shall include the Company's subsidiaries and affiliates (as determined by the Committee in its discretion).

2. Policy Administration. This Policy shall be administered by the Compensation Committee of the Board (the "Committee") unless the Board determines to administer this Policy itself. The Committee has full and final authority to make all determinations under this Policy. All determinations and decisions made by the Committee pursuant to the provisions of this Policy shall be final, conclusive and binding on all persons, including the Company, its affiliates, its stockholders and Executive Officers. Any action or inaction by the Committee with respect to an Executive Officer under this Policy in no way limits the Committee's actions or decisions not to act with respect to any other Executive Officer under this Policy or under any similar policy, agreement or arrangement, nor shall any such action or inaction serve as a waiver of any rights the Company may have against any Executive Officer other than as set forth in this Policy.

3. Policy Application. This Policy applies to all Incentive-Based Compensation received by a person: (a) after October 2, 2023, and beginning service as an Executive Officer; (b) who served as an Executive Officer at any time during the performance period for such Incentive-Based Compensation; (c) while the Company had a class of securities listed on a national securities exchange or a national securities association; and (d) during the three completed fiscal years immediately preceding the Accounting Restatement Date. In addition to such last three completed fiscal years, the immediately preceding clause (d) includes any transition period that results from a change in the Company's fiscal year within or immediately following such three completed fiscal years; provided, however, that a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to twelve months shall be deemed a completed fiscal year. For purposes of this Section 3, Incentive-Based Compensation is deemed received in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period. For the avoidance of doubt, Incentive-Based Compensation that is subject to both a Financial Reporting Measure vesting condition and a service-based vesting condition shall be considered received when the relevant Financial Reporting Measure is achieved, even if the Incentive-Based Compensation continues to be subject to the service-based vesting condition.

4. Policy Recovery Requirement. In the event of an Accounting Restatement, the Company must recover, reasonably promptly, Erroneously Awarded Compensation, in amounts determined pursuant to this Policy. The Company's obligation to recover Erroneously Awarded Compensation is not dependent on if or when the Company files restated financial statements. Recovery under this Policy with respect to an Executive Officer shall not require the finding of any misconduct by such Executive Officer or such Executive Officer being found responsible for the accounting error leading to an Accounting Restatement. In the event of an Accounting Restatement, the Company shall satisfy the Company's obligations under this Policy to recover any amount owed from any applicable Executive Officer by exercising its sole and absolute discretion in how to accomplish such recovery. The Company's recovery obligation pursuant to this Section 4 shall not apply to the extent that the Committee, or in the absence of the Committee, a majority of the independent directors serving on the Board, determines that such recovery would be impracticable and:

    a. The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously

Awarded Compensation based on expense of enforcement, the Company must make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Stock Exchange; or

b. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the registrant, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Code.

5. Policy Prohibition on Indemnification and Insurance Reimbursement. The Company is prohibited from indemnifying any Executive Officer or former Executive Officer against the loss of Erroneously Awarded Compensation. Further, the Company is prohibited from paying or reimbursing an Executive Officer for purchasing insurance to cover any such loss.

6. Required Policy-Related Filings. The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the Federal securities laws, including disclosures required by U.S. Securities and Exchange Commission filings.

7. Definitions.

a. "Accounting Restatement" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

b. "Accounting Restatement Date" means the earlier to occur of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if the Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; and (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

c. "Board" means the board of directors of the Company.

d. "Code" means the U.S. Internal Revenue Code of 1986, as amended. Any reference to a section of the Code or regulation thereunder includes such section or regulation, any valid regulation or other official guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing, or superseding such section or regulation.

e. "Erroneously Awarded Compensation" means, in the event of an Accounting Restatement, the amount of Incentive-Based Compensation previously received that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts in such Accounting Restatement, and must be computed without regard to any taxes incurred or paid by the relevant Executive Officer; provided, however, that for Incentive-Based Compensation based on stock price or total stockholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement: (i) the amount of Erroneously Awarded Compensation must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total stockholder return upon which the Incentive-Based Compensation was received; and (ii) the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to the Stock Exchange.

f. "Executive Officer" means the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. An executive officer of the Company's parent or subsidiary is deemed an "Executive Officer" if the executive officer performs such policy making functions for the Company. For the avoidance of doubt, "Executive Officer" includes, but is not limited to, any person identified as an executive officer pursuant to Item 401(b) of Regulation S-K under the U.S. Securities Act of 1933, as amended.

g. "Financial Reporting Measure" means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measure that is derived wholly or in part from such measure; provided, however, that a Financial Reporting Measure is not required to be presented within the Company's financial statements or included in a filing with the U.S. Securities and Exchange Commission to qualify as a "Financial Reporting Measure." For purposes of this Policy, "Financial Reporting Measure" includes, but is not limited to, stock price and total stockholder return.

h. "Incentive-Based Compensation" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

i. "Stock Exchange" means the national stock exchange on which the Company's common stock is listed.

8. Acknowledgement. Each Executive Officer shall sign and return to the Company, within 30 calendar days following the later of (i) the effective date of this Policy first set forth above or (ii) the date the individual becomes an Executive Officer, the Acknowledgement Form attached hereto as Exhibit A, pursuant to which the Executive Officer agrees to be bound by, and to comply with, the terms and conditions of this Policy.

9. Committee Indemnification. Any members of the Committee, and any other members of the Board who assist in the administration of this Policy, shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be fully indemnified by the Company to the fullest extent under applicable law and Company policy with respect to any such action, determination or interpretation. The foregoing sentence shall not limit any other rights to indemnification of the members of the Board under applicable law or Company policy.

10. Severability. The provisions in this Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision shall be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

11. Amendment; Termination. The Board may amend this Policy from time to time in its sole and absolute discretion and shall amend this Policy as it deems necessary to reflect the Listing Rule. The Board may terminate this Policy at any time.

12. Other Recovery Obligations; General Rights. To the extent that the application of this Policy would provide for recovery of Incentive-Based Compensation that the Company recovers pursuant to Section 304 of the Sarbanes-Oxley Act or other recovery obligations, the amount the relevant Executive Officer has already reimbursed the Company will be credited to the required recovery under this Policy. This Policy shall not limit the rights of the Company to take any other actions or pursue other remedies that the Company may deem appropriate under the circumstances and under applicable law. To the maximum extent permitted under the Listing Rule, this Policy shall be administered in compliance with (or pursuant to an exemption from the application of) Section 409A of the Code.

13. Successors. This Policy is binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.

14. Governing Law; Venue. This Policy and all rights and obligations hereunder are governed by and construed in accordance with the internal laws of the State of Delaware, excluding any choice of law rules or principles that may direct the application of the laws of another jurisdiction. All actions arising out of or relating to this Policy shall be heard and determined exclusively in the Court of Chancery of the State of Delaware or, if such court declines to exercise jurisdiction or if subject matter jurisdiction over the matter that is the subject of any such legal action or proceeding is vested exclusively in the U.S. Federal courts, the U.S. District Court for the District of Delaware.

EXHIBIT A

AVITA MEDICAL, INC.
INCENTIVE-BASED COMPENSATION RECOVERY POLICY

ACKNOWLEDGEMENT FORM

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the AVITA Medical, Inc. (and its subsidiaries and affiliates) (the "Company") Incentive-Based Compensation Recovery Policy (the "Policy").

By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with the Company. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation (as defined in the Policy) to the Company to the extent required by, and in a manner consistent with, the Policy. Further, by signing below, the undersigned agrees that the terms of the Policy shall govern in the event of any inconsistency between the Policy and the terms of any employment agreement to which the undersigned is a party, or the terms of any compensation plan, program or agreement under which any compensation has been granted, awarded, earned or paid.

EXECUTIVE OFFICER

_____
Signature

_____
Print Name

_____
Date