

21 December 2015

SHARE PURCHASE PLAN

PolyNovo Limited (“PolyNovo” or “Company”) advises that its Share Purchase Plan (“SPP”) has closed. The Company is delighted with the response to the SPP offer resulting in applications for 32.4 million new shares and raising \$4.4 million.

The Board of Directors has decided to not scale the applications back.

In total, the Company raised \$12.9 million including the \$8.5m placement to sophisticated investors.

Funds raised from the placement and the SPP will be used for *inter alia*:

- funding a 20 patient trial for full thickness burns currently being conducted at The Alfred hospital in Melbourne and at St. Anne hospital in Toulon, France. Successful completion of this trial will assist PolyNovo achieve CE Mark certification in the EU, South East Asia, Australia and New Zealand, and to sell in these markets;
- supporting activities for trials for full thickness burns in the US. These activities may include manufacturing scale up and any required consulting expenses not covered by our BARDA funding;
- increasing the depth and breadth of the organisational structure. Staff numbers and costs will increase as PolyNovo progresses towards commercialisation and increases development of product outside of the Biodegradable Temporising Matrix (BTM);
- settling the cash component for the purchase of the minority shareholders in NovoSkin and NovoWound as separately announced to the ASX;
- regulatory purposes such as the filing of the CE Mark in EU, Australia and New Zealand, and scoping possible filing of regulatory submissions in new regions such as South Africa, Taiwan, China and India;
- costs of accelerating the progress of products and associated trials in respect to, *inter alia*, pelvic floor repair, hernia and breast reconstruction; and
- general working capital purposes.

The remaining timetable for the SPP is as follows:

Event	Date
Allotment of SPP Shares	23 December 2015
Commencement of trading of Shares on ASX	24 December 2015
Despatch of holding statements	24 December 2015

The commencement of trading of new shares is subject to confirmation from ASX.

Chief Executive Officer, Mr. Paul Brennan, said “It is very encouraging to see our Shareholders, Management and Directors actively participating in this capital raising. This demonstrates confidence in our vision and plans. We are now in a strong financial position to make the investments required to achieve revenues from sales and to accelerate new product development”.

Further information:

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