Dear Shareholder,

It is with great pleasure that I write to you as the new CEO of Avita Medical as we move into an exciting new era of commercialization and clinical trials. Avita's proprietary technology that generates our "spray-on skin" or RES (Regenerative Epithelial Suspension) delivers to the patient an innovative regenerative medicine solution applicable to a broad array of challenging skin conditions. These include, but are not limited to, acute and/or chronic skin injuries such as burns and chronic wounds as well as various skin defects such as depigmentation, for example in patients with vitiligo. Our technology platform is one that I contend to be unique in the marketplace with a plethora of opportunities.

I have been involved with Avita as a non-executive director since early 2013 and bring with me extensive experience and expertise across the value chain in cellular therapies. Additionally, I bring to the company notable experience in product development, regulatory affairs, business development, and general management - all of which I trust will be of material value to Avita's future success.

My motivation to undertake the CEO role for the company was in part inspired because 2017 and 2018 are transformational years for Avita that include multiple value-creating milestones including a US PMA (Premarket Approval Application) submission, initial BARDA procurement, potential for an advisory panel as part of the FDA review process, and an opportunity to focus on augmenting our supply chain while eagerly preparing for our US launch in 2018.

Many of you may be asking yourselves, what is different today as compared to prior years for Avita Medical? Well, let me begin by stating some important facts that will shape and indeed transform Avita's future trajectory. Firstly, the US represents the largest healthcare market in the world, and this accounts for our increasing US focus. Secondly, in 2015, a five-year contract was signed with the Biomedical Advanced Research and Development Authority (BARDA) allocating US$61.9 million to Avita. Of key importance is the fact that BARDA is supporting not only our PMA process, but is also substantially motivated to ensure that Avita is market-ready by supporting ongoing exposure and training of clinicians and surgeons to our product via Compassionate Use and Continued Access. Thirdly, BARDA intends to purchase, prior to US FDA approval, US$7.5 million of ReCell® devices to be stockpiled with an option to buy up to an additional US$23.5 million in support of surge capacity. Moreover, BARDA has also allotted US$6.9 million in support of a burns trial in pediatric patients.

In a nutshell, BARDA funds are being purposefully directed to broadly strengthen Avita's operations, to de-risk our FDA review and approval process, and to build awareness of ReCell® in the burns community ahead of our US launch. So, to answer the question directly, this is remarkably different from our prior approach because the US launch of our technology platform will this time be based upon well controlled clinical trials inextricably intertwined with robust health-economic and cost-effectiveness data. These data will demonstrate to regulators and physicians alike, that ReCell® works precisely as we claim it does and will justify why it should be embraced as the new standard of care.

As you are aware from our mid-May announcement, we have completed our US pivotal trial which demonstrated positive results in our US burns study.

As I mentioned above, in the near-term, Avita intends to submit a PMA to the US FDA seeking approval of ReCell® for use in patients with severe burns. We also plan to review whether the

US should become Avita's main operational hub while still maintaining key strategic R&D efforts in Australia and other influential geographies. To this end, Avita will be conducting a strategic review to assess the long-term positioning of the company and its operations as it increasingly looks to the US markets for growth of product sales. Within this framework, we also intend to review the best location for Avita's administration and head office and to concurrently evaluate future capital requirements as we grow the company. This strategic review may include a proposal for moving our administration and head office functions to the US in context of a re-domicile of the group.

I look forward to keeping you updated as we progress in achieving our goals and objectives.

Sincerely,

Mike

Dr. Michael S. Perry
Chief Executive Officer
Avita Medical Ltd.

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ABOUT AVITA MEDICAL LIMITED

Avita's patented and proprietary collection and application technology provides innovative treatment solutions derived from the regenerative properties of a patient's own skin. Our medical devices work by preparing a Regenerative Epithelial Suspension (RES™), an autologous suspension comprised of the patients' own skin cells and wound healing factors that are necessary to regenerate natural healthy skin. This is then applied to the area to be treated.

In all countries outside of Europe, our portfolio is marketed under the ReCell® brand to promote skin healing in a wide range of applications including burns, chronic wounds and aesthetics.

ReCell® is TGA-registered in Australia, and CFDA-cleared in China. In the United States, ReCell® is an investigational device limited by federal law to investigational and compassionate use.

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

To learn more, visit www.avitamedical.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

outside of the company's control. Investors should not place considerable reliance on the forward-looking statements contained in this letter. Investors are encouraged to read our publicly available filings for a discussion of these and other risks and uncertainties. The forward-looking statements in this letter speak only as of the date of this release, and we undertake no obligation to update or revise any of these statements.

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FOR FURTHER INFORMATION:

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