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13 October 2017

Dear Shareholder,

### 2017 Non Renounceable Rights Issue Offer and Shortfall Offer

As announced on 11 October 2017, Avita Medical Limited (**Company**) is undertaking a fully underwritten non renounceable pro-rata rights offer to the Company's shareholders (**Offer**). The Offer is open to all eligible shareholders of the Company who are on the share register as at 18 October 2017 (**Record Date**) and who have a registered address in Australia or New Zealand (**Eligible Shareholder**). The Company is seeking to raise a total of approximately \$12.44 million from the Offer, on the basis that no more than approximately 276.5 million New Shares will be issued pursuant to the Offer.

On 11 October 2017 the Company also announced that it had commitments to place approximately 101 million shares to professional and sophisticated investors to raise a total of \$4.5 million at the same price as the issue price under the Offer (**Placement**).

Under the terms of the Offer, each Eligible Shareholder will have the right to subscribe for New Shares in the Company on the basis of a non-renounceable Rights Issue of 1 new share for every 2.8 shares held as at the Record Date (rounded up to the nearest share) at a price of \$0.045 per new share (**Rights Issue Offer**).

Proceeds raised from the Offer and the Placement will be used by the Company for working capital purposes, including towards initial BARDA product procurement, US FDA approval, and the burns product launch across the US market.

The anticipated timetable for the Offer is as follows:

Placement and Rights Issue announced. Company resumes trading upon opening.	Wednesday, 11 October 2017
Letter sent to option holders advising they cannot participate in the Rights Issue without first exercising their options.	Wednesday, 11 October 2017
Letter sent to Shareholders advising of Rights Issue Appendix 3B information and timetable	Friday, 13 October 2017
Allotment of Placement shares, Placement cleansing notice and Appendix 3B	Tuesday, 17 October 2017
'ex' date	Tuesday, 17 October 2017
Record Date to determine entitlements under the Rights Issue Offer	Wednesday, 18 October 2017

Rights Issue document dispatched to shareholders and Rights Issue Offer opens	Friday, 20 October 2017
Rights Issue Offer closes	Thursday, 2 November 2017
Rights Issue securities quoted on a deferred settlement basis	Friday, 3 November 2017
Settlement of Rights Issue Offer	Wednesday, 8 November 2017
Allotment of New Shares issued under the Rights Issue Offer. Deferred settlement trading ends.	Thursday, 9 November 2017
Dispatch of holding statements in respect of New Shares issued under the Rights Issue Offer	Friday, 10 November 2017

The above timetable is indicative only and subject to change. Subject to the *Corporations Act 2001* and the ASX Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date. The Directors also reserve the right not to proceed with the Offer (or any part of it) at any time prior to allotment. In that event, any application money received will be returned without interest.

The total Shares on issue as at the date of the Announcement of the Rights Issue (11 October 2017) was 673,219,854 Shares and 6,137,289 Options. The effect of the Offer is expected to be the issue of an additional 276.5 million new Shares (on the basis that the Placement Shares will be issued prior to the Record Date, making the expected number of issued Shares as at the Record Date to be 774,219,854 Shares) resulting in an estimated total share capital as at the date holding statements are despatched for the New Shares of 1,050,719,854.

Details of the Offer are contained in the announcement made on ASX on 11 October 2017. Full details of the Offer, together with all other relevant information relating to the Offer, will be contained in the Offer Document proposed to be available on the ASX website ([www.asx.com.au](http://www.asx.com.au)) as from the opening of the Offer, namely Friday 20 October 2017. The Offer Document and the Entitlement and Acceptance Form will be sent to all Eligible Shareholders on 20 October 2017.

Please ensure you read the Offer Document in its entirety and refer to the Company's ASX announcements before considering whether to participate in the Offer. If in any doubt you should consult your professional advisor.

If you do not wish to participate in the Offer (in respect of your options) you do not need to take any action.

For further information on your Entitlement please contact the Company's share registry on 1300 850 505 (within Australia) or +61 (03) 9415 4000 (outside Australia).

Yours faithfully

Gabriel Chiappini  
Company Secretary