ASX/News Release

AVITA Medical Announces Institutional Placement of A$16.0 Million to Support U.S. Commercialization of the RECELL® Device

Valencia, Calif., USA, and Melbourne, Australia, 6 June 2018 — AVITA Medical (ASX: AVH, OTCQX: AVMXY), a regenerative medicine company with a technology platform positioned to address unmet medical needs in burns, chronic wounds, and aesthetics indications, today announced an institutional placement of A$16.0 million to prepare for the planned U.S. launch of the RECELL® Device in the treatment of severe burns.

Avita has received commitments from international and Australian institutional and sophisticated investors for a placement of A$16.0 million at an issue price of A$0.050 per share, with the placement to occur in two tranches. Tranche 1 of the institutional placement, totaling A$12.77 million, is expected to settle on 12 June 2018. Settlement of Tranche 2 totaling A$3.25 million is subject to shareholder approval at an Extraordinary General Meeting to be held in July 2018.

"We appreciate the support of our shareholder group and the investors in this institutional placement as we proceed toward a transformative series of events for AVITA, including the U.S. market launch of the RECELL Device," said Dr. Michael Perry, Chief Executive Officer. "Proceeds from this placement will ensure that we are positioned to take full advantage of the expected upcoming PMA approval of the RECELL Device in the U.S., including establishment of our marketing and sales team, scale-up of manufacturing capabilities and expansion of research and development in areas such as pediatric burns, aesthetics and chronic wounds. The extensive series of clinical data presented at the recent ABA and ISPOR conferences strongly supports the value of RECELL in the treatment of severe burns, and we have an exceptional commercial opportunity resulting from the unique combination of improved patient outcomes and substantial health economic benefits."

The RECELL Device is an investigational medical device in the U.S. that is designed to enable medical professionals to produce, at the point-of-care, a REGENERATIVE EPIDERMAL SUSPENSION™ (RES™) using a small sample of the patient's own skin. The autologous suspension contains cells necessary to regenerate epidermis and provides a new way to achieve permanent closure in burns and other wounds while reducing the amount of skin harvested at the time of surgery. Reduction in donor-site skin requirements has important benefits from both clinical and health economic (reduction in cost of treatment) perspectives.

A U.S. PreMarket Approval (PMA) application for the treatment of burn injuries is currently under review by the U.S. Food and Drug Administration (FDA). The Company expects completion of the FDA review of the PMA during the third quarter of calendar 2018, followed by U.S. approval and market launch. In April 2018 researchers from major burn centers throughout the U.S. made six presentations at the American Burn Association (ABA) 50th Annual Meeting in Chicago describing the clinical and cost-savings advantages of the RECELL Device in the treatment of severe burns.

Institutional Placement

The institutional placement was managed by Bell Potter as sole lead manager and the Company has received commitments for A$16.0 million at an issue price of A$0.050 per fully paid ordinary share. Upon completion of the placement, the Company will issue up to 320,475,665 shares to international and Australian institutional and sophisticated investors to whom disclosure was not required pursuant to Chapter 6D of the Corporations Act 2001. The issue price of $0.050 per share represents a 3.8 percent discount to the last closing price on 1 June 2018, and a 6.3 percent discount to the 30-day VWAP of the Avita share price prior to the Company seeking a trading halt. The new Avita shares to be issued under the institutional placement will rank equally with existing Avita shares on issue.

“We are pleased to move toward the completion of this institutional placement to ensure that resources are in hand to strengthen our position and ensure that we are fully enabled to take advantage of opportunities facing us, including the upcoming U.S. launch of the RECELL Device,” said Dale Sander, Chief Financial Officer. “We note that the issue price of this institutional placement is higher than that of our last financing round, and is within the range at which our shares have traded for the past 30 days.”

Tranche 1 of the institutional placement totals A$12,773,783 of proceeds and the issuance of 255,475,665 shares. For Tranche 1 the Company will issue 153,285,399 shares under its 15 percent placement capacity (under ASX Listing Rule 7.1) and 102,190,266 shares under its 10 percent placement capacity (under ASX Listing Rule 7.1A). Tranche 2 totals A$3,250,000 of proceeds and the issuance of 65,000,000 shares, and settlement is contingent upon shareholder approval at Extraordinary General Meeting to be held in July 2018.

ABOUT AVITA MEDICAL LIMITED

AVITA Medical is a regenerative medicine company with a technology platform positioned to address unmet medical needs in burns, chronic wounds, and aesthetics indications. AVITA Medical’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™, an autologous suspension comprised of the patient’s own skin cells and wound healing factors that are necessary to regenerate natural healthy skin. This autologous suspension is then sprayed onto the areas of the patient to be treated.

In the United States, the RECELL Device is an investigational device limited by federal law to investigational use. In September 2017, AVITA Medical submitted to the U.S. Food and Drug Administration (FDA) a PreMarket Approval (PMA) application for RECELL for the treatment of burn injuries.

In all countries outside of Europe, our portfolio is marketed under the RECELL Device brand to promote skin healing in a wide range of applications including burns, chronic wounds and aesthetics. RECELL Device is TGA-registered in Australia, and CFDA-cleared in China.

In Europe, our portfolio of medical device products received CE-mark approval as three tailored product presentations, with three individual brand names. RECELL Device is designed for the treatment of burns and plastic reconstructive procedures; REGENERCELL™ Autologous Cell Harvesting Device has been formulated for chronic wounds including leg and foot ulcers; and RENOVACELL™ Autologous Cell Harvesting Device 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.

FOR FURTHER INFORMATION:

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