ASX/News Release

AVITA Medical Announces Institutional Placement of A$40.0 Million to Support Commercialization and Pipeline Advancement

Share purchase plan (SPP) also announced to allow eligible shareholders to purchase up to A$3.0 million in shares

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Valencia, Calif., USA, and Melbourne, Australia, 4 December 2018 — AVITA Medical (ASX: AVH, OTCQX: AVMXY), a global regenerative medicine company, today announced an institutional placement of A$40.0 million (Institutional Placement) to fund the marketing and sales effort to support U.S. market launch of the RECELL® System, clinical and research and development to facilitate pipeline advancement, and general working capital requirements.

Avita has received under the Institutional Placement commitments from U.S., Australian and international institutional and sophisticated investors for a placement of A$40.0 million at an issue price of A$0.080 per share, with the placement to occur in two tranches. Tranche 1 of the institutional placement, totaling A$24.5 million, is expected to settle on 7 December 2018 without the need for prior shareholder approval. Settlement of Tranche 2 totaling A$15.2 million is subject to shareholder approval at an Extraordinary General Meeting to be held in January 2018.

“The recent U.S. approval to the RECELL System for the treatment of burns was a transformative event for AVITA, and we appreciate the support of our shareholders as we advance to the U.S. market launch,“ said Dr. Michael Perry, Chief Executive Officer. “Proceeds from this placement will ensure that we are positioned to fully realize the opportunity provided by the FDA approval and allows us to advance our pipeline beyond burns in additional high-value areas such as the treatment of traumatic wounds and vitiligo.”

Institutional Placement

The Institutional Placement was managed by Cowen and Company, LLC in the U.S. as lead placement agent and Bell Potter as lead Australian manager. The Company has received commitments for A$40.0 million at an issue price of A$0.080 per fully paid ordinary share. Upon completion of the placement, the Company will issue up to 500 million shares to U.S., Australian and international institutional and sophisticated investors to whom disclosure was not required pursuant to Chapter 6D of the Corporations Act 2001. The issue price of $0.080 per share represents a 2.4 percent discount to the last closing price on 29 November 2018 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.

Tranche 1 of the Institutional Placement totals A$24,803,761 of proceeds and the issuance of 310,047,015 shares. For Tranche 1 the Company will issue 186,028,209 shares under its 15 percent placement capacity (under ASX Listing Rule 7.1) and 124,018,806 shares under its 10 percent placement capacity (under ASX Listing Rule 7.1A, referred to below as the "7.1A Placement")). Tranche 2 totals A$15,196,239 of proceeds

and the issuance of 189,952,985 shares, and settlement is contingent upon shareholder approval at Extraordinary General Meeting to be held in January 2019.

Share Purchase Plan

To recognize the support of current shareholders of AVITA, the Company is also announcing a share purchase agreement (SPP) that will allow eligible shareholders to purchase up to A$15,000 of AVITA Medical ordinary shares at a purchase price of A$0.080 per share, limited to A$3.0 million in total. Eligible shareholders are those who are recorded on the Company's share register at 5:00 p.m. AEDT on 3 December 2018. Details of the SPP will be provided to shareholders this week in a separate communication.

Additional Disclosures Regarding 7.1A Placement

As the Company is issuing Shares under its ASX Listing Rule 7.1A capacity, it provides the following further information (pursuant to ASX Listing Rule 3.10.5A):

- Existing shareholders will be diluted by 8.5% as a result of the issue of the 7.1A Placement under ASX Listing Rule 7.1A (although, to the extent the investors are already shareholders, their relative holdings will increase or decrease to a lesser extent);
- As announced below, the Company also intends making an offer to existing Shareholders under a Share Purchase Plan at the same price as under the 7.1A Placement. This proposed offer under the Share Purchase Plan is limited in aggregate to $3.0 million and the Company considered it was in the best interests of shareholders to undertake the 7.1A Placement as the most efficient and most certain means of raising capital quickly and attracting cornerstone institutional investors, but while still offering existing shareholders the ability to participate in the SPP at the same price as the institutional investors;
- The 7.1A Placement was not underwritten, but managed by the lead placement agent and the lead Australian manager, for which the Company will pay a base commission ranging from 6 to 7 percent of the 7.1A Placement depending on the location of the investor, and;
- The Company has also incurred further legal and listing fees in relation to the 7.1A Placement.

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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. The medical devices work by preparing a REGENERATIVE EPIDERMAL SUSPENSION™ (RES™), an autologous suspension comprised of the patient's skin cells necessary to regenerate natural healthy epidermis. This autologous suspension is then sprayed onto the areas of the patient requiring treatment.

AVITA Medical's first U.S. product, the RECELL® System, was approved by the U.S. Food and Drug Administration (FDA) in September 2018. The RECELL System is indicated for use in the treatment of acute thermal burns in patients 18 years and older. The RECELL System produces Spray-On Skin™ Cells using a small amount of a patient's own skin, providing a new way to treat severe burns, while significantly reducing the amount of donor skin required. The RECELL System is designed to be used at the point of care alone or in

combination with autografts depending on the depth of the burn injury. Compelling data from randomized, controlled clinical trials conducted at major U.S. burn centers and real-world use in more than 7,000 patients globally, reinforce that the RECELL System is a significant advancement over the current standard of care for burn patients and offers benefits in clinical outcomes and cost savings. Healthcare professionals should read the INSTRUCTIONS FOR USE - RECELL® Autologous Cell Harvesting Device for a full description of important safety information including contraindications, warnings and precautions.

In international markets outside of Europe, our products are marketed under the RECELL System brand to promote skin healing in a wide range of applications including burns, chronic wounds and aesthetics. The RECELL System is TGA-registered in Australia, CFDA-cleared in China, and received CE-mark approval in Europe.

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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