Avita Medical Announces AUD$10M Equity Financing

Australia, 20 October 2015 — Avita Medical Ltd. (ASX: AVH), (OTCQX: AVMXY), a regenerative medicine company specializing in the treatment of wounds and skin defects, announced today the closing of a AUD$10,018,644 common stock placement to sophisticated and institutional investors through the issue of 107,727,358 shares at a price of AUD$0.093 per share.

The Company said the placement is part of its funding strategy to support its stated commercialization goals under a broader placement approval from shareholders obtained at a meeting held on 24 August 2015. This $10m placement has been priced at a 20% discount to the 5-day volume weighted average price (VWAP) which is a 15% premium to where the share price was just one month ago. Most of the funds are coming from current institutional shareholders. Key investors are Hunter Hall International and One Funds Management Limited as Trustee for Asia Pacific Healthcare Fund II, which is managed by Bioscience Managers. Avita Directors Jeremy Curnock Cook and Matt McNamara are also executives and directors of BioScience Managers Pty Ltd. Other current sophisticated investors have also participated, and the Company welcomed new shareholders: Oceania Capital, and DMP Asset Management .

Besides ensuring security for funding the Company's ongoing operational expenses for at least the next 12 months, the placement will also support execution of a contract from BARDA, a US federal disaster preparedness agency, which is valued at up to USD $53.9m over the next five years.

"We view the increased participation of our longstanding shareholders as a significant endorsement of our commercialization strategy," said Adam Kelliher, CEO of Avita Medical. "These investors have indicated that they have been impressed with the clinical trial strategy and the securing of the BARDA contract, and thus decided the company is worthy of continued support"

"We also note that this vote of confidence for Avita has come during a volatile and difficult period in the capital markets," concluded Kelliher. "The entire Avita team looks forward to rewarding the confidence shown by our investors by delivering on our declared commercial milestones."

The Company said it will continue to review its capital options based upon anticipated needs and terms available. It would remain engaged with US, Australian and other investors who have already expressed an interest in future participation, the Company said.

Lake Street Capital Markets acted as Lead Agent for the Placement and Griffin Securities acted as Co-Placement Agent.

Subject to clearance of subscription funds, the New shares under the placement are expected to be allotted on 20 October 2015 and will rank equally with all ordinary shares in Avita Medical.

ABOUT RECELL® AND RES™

ReCell® is Avita Medical's unique proprietary technology that enables a clinician to rapidly create, at point of care in approximately 30 minutes, Regenerative Epithelial Suspension (RES™) using a small sample of the patient's skin. RES™ is an autologous suspension comprising the cells and wound healing factors necessary to regenerate natural, healthy skin. RES™ has a broad range of applications and can be used to restart healing in unresponsive wounds, to repair burns using less donor skin yet with improved functional and aesthetic outcomes, and to restore pigmentation and improve cosmesis of damaged skin.

ABOUT AVITA MEDICAL LIMITED

Avita Medical develops and distributes regenerative products for the treatment of a broad range of wounds, scars and skin defects. Avita's patented and proprietary collection and application technology provides innovative treatment solutions derived from a patient's own skin. The Company's lead product, ReCell®, is used in the treatment of a wide variety of burns, plastic, reconstructive and cosmetic procedures. ReCell® is patented, CE-marked for Europe, TGA-registered in Australia, and CFDA-cleared in China. In the United States, ReCell® is an investigational device limited by federal law to investigational use. A pivotal U.S. trial is underway, with patient enrollment completion anticipated by the end of 2015. To learn more, visit www.avitamedical.com.

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FOR FURTHER INFORMATION

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