

Avita Medical sells Respiratory Business for \$2.64m

Northridge, CA, USA and Cambridge, United Kingdom, 24 December 2015 — Avita Medical Ltd. (ASX: [AVH](#)), (OTCQX: [AVMXY](#)), a regenerative medicine company specializing in the treatment of wounds and skin defects, today announced that it has signed an agreement to sell its respiratory business to Medical Developments International (ASX: MVP) for \$2.64m.

Avita Medical's respiratory business includes two products, Breath-A-Tech® and Funhaler®, which are both asthma spacers aimed at optimizing the use of medicinal puffers. The products are marketed in pharmacies throughout Australia.

The transaction is expected to complete by early February 2016, and is valued at \$2.64m, comprising \$2.2m cash, plus (at MVP's option) either 125,000 new MVP shares escrowed for 6 months (adjusted based on the 5-day VWAP prior to completion) or \$0.44m of cash. The sale will be a second input of non-dilutive capital Avita has received in recent months following September's conclusion of a deal worth up to USD \$54.9m from the US federal disaster preparedness agency BARDA. The company is already invoicing BARDA under a program to support the completion of Avita's FDA approval and US market entry.

‘The sale of our respiratory business will enable Avita Medical to fully concentrate on our core regenerative medicine wound-care business, presented through our ReCell® autologous cell harvesting device,’ said Avita CEO Adam Kelliher. ‘We anticipate 2016 will be a busy year, and certainly the proceeds of this transaction will help support our declared clinical and commercialization goals.’

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.

FOR FURTHER INFORMATION

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