

Avita Medical announces non-renounceable rights issue to raise up to approximately \$11m

- *Fresh capital will be deployed for planned US launch and commercialisation plans*
- *Up to \$11.44m may be raised, with \$5m already underwritten*
- *Offer on a 2 for 9 basis, at an issue price of \$0.09*

Northridge, CA and Cambridge, United Kingdom, Perth, Australia 16 June 2016 – Avita Medical Ltd (**Company**) (ASX: AVH), (OTCQX: AVMXY) today announced a partially underwritten non-renounceable rights issue to raise up to approximately \$11m (**Rights Issue**) to support the Company's strategy to launch in the US and push forward with product commercialization. Avita manufactures portable cell-harvesting devices that can be used to treat burns, chronic wounds and skin defects.

Pursuant to the Rights Issue, the Company will offer a maximum of approximately 127,278,222 new AVH shares to shareholders who are registered holders based in Australia and New Zealand of shares on the record date (**Eligible Shareholders**) on a 2 for 9 basis, at an issue price of \$0.09. This would raise a maximum of approximately \$11.455m if fully subscribed. The offer is underwritten to \$5m by Morgans Corporate Limited. Other key items of the Rights Issue are included in the Offer Document available on the ASX platform of the Company.

"We are very appreciative of the committed support from our shareholders, and their understanding of our many fundamental accomplishments of late," said Avita CEO Adam Kelliher. "Avita is on the move, and we have some crucial upcoming milestones, as we build value based around our unique regenerative medicine approach."

In recent months, the Company had met its milestones in an FDA approval trial for burns, announced a US\$53.9m contract with the US federal agency BARDA, and signed distribution deals for its medical devices in 12 territories, including China. Avita has also strengthened its management team and Board, to give it a much sharper commercial focus in advance of a proposed US launch.

The Company considers that raising fresh capital would allow it to deploy the funds for various clinical and commercial initiatives, as well as supporting operational work to achieve several specific upcoming milestones, such as:

- US commercial ramp-up in preparation for the completion of the FDA pivotal trial for burns, PMA submission, and potential FDA approval
- A pre-IDE FDA submission and initialisation of a Pivotal Trial for Venous Leg Ulcers

- Label expansion in Australia for Venous Leg Ulcers
- Running a UK Feasibility Study on Diabetic Foot Ulcers
- BARDA procurement potentially triggered: contracted value of ~A\$10MM
- Supporting the roll-out of international distribution in key markets

“Raising more capital will enable us to keep our commercial plans on track, as well as delivering the clinical data package showing our treatment approach is safe, powerful and effective,” Kelliher said. “In the case of the crucial FDA burns trial, we have completed the effectiveness section of this trial at all seven US burns centers, and have now entered a safety-observation period, so we feel the most of the hard work of the trial is now behind us.”

Morgans Corporate Limited is acting as Underwriter and Lead Manager to the Rights Issue.

The following is an indicative timetable of the Rights Issue:

Event	Date**
Announcement of Offer (before market opens)	16 June 2016
Lodgement of Offer Document, Appendix 3B and s708AA Cleansing Notice with ASX (Prior to the commencement of trading)	16 June 2016
Notice sent to Shareholders	17 June 2016
Ex-date (date from which securities commence trading without the Entitlement to participate in the Offer)	20 June 2016
Record Date (date for determining Entitlements of Eligible Shareholder to participate in the Offer)	21 June 2016
Offer Opening Date Offer Document and personalised Entitlement and Acceptance Forms sent to Shareholders	23 June 2016
Last day to extend the Offer Closing Date*	29 June 2016
Closing Date (offer closes)	4 July 2016
Securities quoted on a deferred settlement basis	5 July 2016
Place Shortfall/collect shortfall commitment funds	5 July 2016

ASX notified of under subscriptions	6 July 2016
Issue date/Shares entered into Shareholders' security holdings	7 July 2016

Subject to the Listing Rules and the Underwriting Agreement, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

***These dates are indicative only.*

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, and a pivotal U.S. approval trial is underway. To learn more, visit www.avitamedical.com.

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FOR FURTHER INFORMATION

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