



Level 9, The Quadrant  
1 William Street  
Perth, Western Australia, 6000  
Telephone: +61 (0) 8 9474 7738  
Fax: +61 (0) 8 9474 7742  
www.avitamedical.com

17 June 2016

Dear Shareholder

### **Avita Medical Ltd – pro-rata non-renounceable rights issue**

As announced on 16 June 2016 Avita Medical Ltd (ACN 058 466 523) (**Company**) is undertaking a partially underwritten pro rata non-renounceable rights issue (**Rights Issue** or **Offer**) on the basis of 2 fully paid ordinary shares (**New Shares**) for every 9 existing shares held to raise up to approximately \$11,455,040. The price of New Shares under the Offer is \$0.09 each (**Issue Price**). The Company lodged an offer document for the Offer (**Offer Document**) with ASIC and ASX on 16 June 2016.

The Offer is partially underwritten by Morgans Corporate Limited (ABN 32 010 539 607) (AFSL 235407) (the **Underwriter**). The Underwriter has agreed to underwrite the offer for up to \$5,000,000. The Company must pay the Underwriter an underwriting fee of 5% of the total amount raised pursuant to the Offer. The Company must also reimburse the Underwriter for costs incidental to the Offer.

Completion of the Offer will result in an increase in cash in hand of up to approximately \$11,455,040 (before the payment of costs associated with the Offer). The Company intends to apply the funds raised under the Offer to clinical programmes, commercial initiatives, research and development, quality/regulatory/production, working capital and towards expenses of the offer.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members on 21 June 2016, whose registered address is in Australia or New Zealand.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued 127,278,222 New Shares resulting in total Shares on issue of 700,030,217.

### **Ineligible shareholders**

A Shareholder who has a registered address outside Australia and New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Offer Document. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

If you have any queries concerning the Rights Issue, please contact your financial adviser or Gabriel Chiappini, the Company's Company Secretary, on +61 8 9474 7738.

Yours sincerely

**Lou Panaccio**  
**Chairman**