

NOTICE UNDER SECTION 708AA(2)(f) OF THE CORPORATIONS ACT

This notice is given by Avita Medical Ltd (ACN 058 466 523) (the **Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by Australian Securities and Investment Commission Class Order 08/35 (**C08/35**). References in this notice of the Corporations Act are references to the Corporations Act as modified or amended by CO 2016/84.

The Company has announced its intention to undertake an equity raising of up to approximately \$11,455,040 via a partially underwritten non-renounceable rights issue. The raising comprises a non-renounceable pro-rata rights issue of fully paid ordinary shares (Shares) on the basis of two (2) new Shares for every nine (9) Shares held as at 5.00pm (WST) on 21 June 2016 to eligible shareholders with a registered address in Australia or New Zealand (Rights Issue).

Based on the current capital structure, a total of an additional 127,278,222 Shares will be issued if the Rights Issue is fully subscribed and the amount raised will be up to approximately \$11,455,040. The Company also has 12,147,289 options currently on issue.

The Rights Issue is partially underwritten by Morgans Corporate Limited (ABN 32 010 539 607) (AFSL 235407) (**Underwriter**) for an amount of up to \$5,000,000 (55,555,556 Shares). The Company will pay the Underwriter a fee of 5% (excluding GST) of the amount raised under the Rights Issue in consideration for the provision of underwriting services, plus reimbursement for expenses incurred.

The Company hereby confirms that in respect of the Rights Issue (as per the requirements of paragraph 708AA(2)(f) of the Corporations Act):

1. the Company will offer the Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
2. the Company is providing this notice under paragraph 2(f) of section 708AA of the Corporations Act;
3. as at the date of this notice the Company has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (ii) section 674 of the Corporations Act as it applies to the Company;
4. as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act; and

5. the potential effect that the issue of the Shares under the Rights Issue will have on the control of the Company is as follows:
- (i) if all eligible shareholders take up their entitlements under the Rights Issue, the issue of Shares under the Rights Issue will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Rights Issue;
 - (ii) in the more likely event that there is a shortfall, eligible shareholders who do not subscribe for their full entitlement of Shares under the Rights Issue and ineligible shareholders unable to participate in the Rights Issue will be diluted relative to those shareholders who subscribe for some or all of their Entitlement and those persons who subscribe for the shortfall;
 - (iii) in respect of any shortfall, eligible shareholders will be entitled to top-up their shareholding, by subscribing for additional shares to be issued from the shortfall pool (Shortfall Offer). However, the Company will only issue such Shares pursuant to an application received where the Directors are satisfied, in their discretion, that the issue of the Shares will not increase the applicant's voting power above 19.90%. Having regard to the number of Shares to be issued under the Offer, even if a substantial shortfall eventuated, a participant in the Shortfall Offer would not be in a position to exercise any substantive control in the Company; and
 - (iv) the Underwriter will ensure that no person (including the Underwriter and any sub-underwriters) will be issued Shares through underwriting or sub-underwriting the Offer or otherwise if such issue will result in their voting power in the Company, in aggregate with the voting power of their associates, increasing from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. On that basis, even if a substantial shortfall eventuated, the Underwriter or sub-underwriters would not be in a position to exercise any substantive control of the Company.

Gabriel Chiappini
Company Secretary
Avita Medical Limited