27 August 2021

The Manager
ASX Announcements
Australian Securities Exchange
Level 4
20 Bridge Street
Sydney NSW 2000

Dear Sir / Madam

ASX Appendix 4E (Preliminary Final Report) & Annual Report on Form 10-K

Please find attached the following documents:

- ASX Appendix 4E (Preliminary Final Report) for the 12-month period ended June 30, 2021
- Annual Report for the 12-month period ended June 30, 2021 ("**Annual Report**")

The Annual Report is prepared in accordance with U.S. Generally Accepted Accounting Principles (US GAAP) and is reported on Form 10-K. The Company will report its quarterly results for the three (3) month period ending September 30, 2021 on Form 10-Q and will hold a Company webcast to discuss those results in early November.

Authorized by

Dr Mike Perry
Chief Executive Officer

AVITA Medical, Inc. (ARBN 641 288 155)
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Registered Office: c/- Mertons Corporate Services Pty Limited
Level 7, 330 Collins Street, Melbourne VIC 3000 Australia

Appendix 4E

Preliminary Final Report

30 June 2021

AVITA MEDICAL, INC.

ARBN 641 288 155

Results for announcement to the market

(In thousands, except net tangible asset backing per ordinary security)	Movement	June 2021	June 2020
Financial Results		**USD**	**USD**
Sale of goods	Up 105%	29,232	14,263
Other income	Down 55%	2,072	4,612
Loss for the period attributable to owners of the parent	Down 37%	26,583	42,030
Total comprehensive loss attributable to owners of the parent	Down 37%	26,470	42,068

Record date for determining entitlements to dividends	N/A – no dividends are proposed to be paid

Net Tangible Asset Backing	**June 2021**	**June 2020**
Net tangible asset backing per common stock outstanding	$4.57	$3.3556

- **Annual financial results:**
  This report is based on the accompanying consolidated 2021 Financial Statements which have been audited by Grant Thornton LLP with the Report of Independent Registered Public Accounting Firm included in the 2021 Financial Statements. In this report, all references to "dollars" or "$" are to the currency of the United States.

- **Changes in control over entities:**
  There were no entities over which AVITA Medical, Inc.'s ("**Company**") control has been gained or lost during the fiscal year ended June 30, 2021.

  By way of background, the Company changed its corporate name from AVITA Therapeutics, Inc. to AVITA Medical, Inc., effective December 2, 2020 (United States time), after successfully filing a Certificate of Amendment of Certificate of Incorporation with the Secretary of State of Delaware. The Company's change of name was registered with the Australian Securities and Investments Commission effective as from January 6, 2021. The Company's common stock continues to trade on The NASDAQ Stock Exchange LLC under the symbol "RCEL" and its CHESS Depositary Interests continue to trade on the Australian Securities Exchange under the ticker symbol, "AVH".

- **Details of dividends and dividend reinvestment plans:**
  No dividends have been declared or proposed.

- **Details of associates or joint ventures:**
  N/A

- **Set of accounting standards used in compiling the report:**
  The audited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (US GAAP) and are denominated in U.S. dollars.

- **Details of audit disputes or audit qualification:**
  None.

Results of Operations:

Total net revenue increased 105% to $29.2 million, compared to $14.3 million in the corresponding period in the prior year. RECELL® commercial revenues were $21.5 million, while RECELL revenues associated with the U.S. Department of Health and Human Services' Biomedical Advanced Research and Development Authority within the Office of the Assistant Secretary for Preparedness and Response ("**BARDA**") were $7.7 million. Revenues associated with BARDA were attributable to the purchase of RECELL units for emergency preparedness by BARDA. RECELL commercial revenues increased by 50% or $7.2 million.

Gross profit margin was 80% compared with 79% in the same period in the prior year, driven largely by lower shipping costs and increased production along with the extension of our shelf-life.

BARDA income consisted of funding from BARDA, under the Assistant Secretary for Preparedness and Response, within the U.S. Department of Health and Human Services, under ongoing USG Contract No. HHSO100201500028C. Under the BARDA contract, income of $2.1 million was recognized during the year ended June 30, 2021, compared to income of $3.9 million for the year ended June 30, 2020. BARDA income declined as a result of the wind-down of certain activities associated with supporting the U.S. FDA approval of the RECELL System as well as the compassionate use, continued access programs and pivotal trials for the treatment of pediatric scald injuries.

Total operating expenses decreased 10% or $6 million to $51.9 million, compared with $57.9 million incurred in the same period in the prior year. Sales and marketing expenses decreased $1 million or 7% to $14.7 million, compared to $15.7 million recognized in the same period in the prior year. The decrease in sales and marketing expenses is primarily due to fewer conferences, lower travel expenses due to COVID-19 related travel restrictions and higher costs incurred in the prior year associated with the product launch. General and administrative expenses decreased 32% or $10.6 million to $22.4 million compared with $33 million recognized in the same period in the prior year. The decrease was driven by higher share-based compensation expenses in the prior year associated with certain performance milestones being met along with higher costs related to the Avita group's recomiciliation to the United States (which is discussed in further detail in the Company's Form 10-K that is annexed to this Appendix 4E). Research and development expenses increased 61% or $5.6 million to $14.8 million, compared to $9.2 million recognized in the same period in the prior year. The increase was primarily attributed to the ramping up of clinical trials related activities for treatment of vitiligo as well as other research and development costs associated with furthering the Company's pipeline.

Net loss after tax decreased 37% or $15.4 million to $26.6 million, over the $42 million recognized in the same period in the prior year. The decrease in net loss was driven by higher revenue during the year, and lower operating expenses described above.

Update on the Company's Cash Position:

The Company had cash, cash equivalents and restricted cash of $110.9 million at June 30, 2021 compared to $73.8 million at June 30, 2020.

Net cash used in operating activities was $25.9 million and $22.7 million during the years ended June 30, 2021, and 2020, respectively. The increase during the 2021 fiscal year was primarily due to higher BARDA receivables attributable from the purchase of RECELL units by BARDA.

Net cash used in investing activities was $1.2 million and $0.8 million during the years ended June 30, 2021, and 2020, respectively. Cash flows used for investing activities were primarily attributable to payments for the purchase of property and equipment.

Net cash provided by financing activities was $64 million and $77.1 million for the years ended June 30, 2021, and 2020, respectively. The AVITA group completed a series of financing activities during the years ended June 30, 2021, and 2020 and received proceeds from the issuance of shares and exercise of options.

Liquidity and Capital Resources:

We aim to manage capital so that the Company continues as a going concern while also maintaining optimal returns to stockholders and benefits for other stakeholders. We also aim to maintain a capital structure that ensures the lowest cost of capital available to the Company. We regularly review the Company's capital structure and seek to take advantage of available opportunities to improve outcomes for the Company and its stockholders.

For the year ended June 30, 2021, there were no dividends paid and we have no plans to commence the payment of dividends. We have no committed plans to issue further shares on the market but will continue to assess market conditions and the Company's cash flow requirements to ensure the Company is appropriately funded in order to continue its operations and pursue its various opportunities.

There is no significant external borrowing at the reporting date. Neither the Company nor any of the subsidiaries are subject to any externally imposed capital requirement.

On March 1, 2021, the Company issued 3,214,250 shares of common stock at the offering price of $21.50 per share. The gross proceeds from the offering were approximately $69.1 million. The Company incurred $5.1 million in capital issuance expenses.

Please refer to our audited consolidated financial statements with accompanying notes, which are attached hereto.

Additional information

Additional Appendix 4E disclosure requirements and commentary on these results are contained in the attached Form 10-K Annual Report for the period ended June 30, 2021.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended June 30, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-39059

AVITA MEDICAL, INC.

(Exact name of registrant as specified in its charter)

Delaware	**85-1021707**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

28159 Avenue Stanford
Suite 220
Valencia, CA 91355
(Address of principal executive offices and Zip Code)

Registrant's telephone number, including area code: (661) 367-9170

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol**	**Name of each exchange on which registered**
Common Stock, par value $0.0001 per share	**RCEL**	**The NASDAQ Stock Market LLC**

Securities registered pursuant to section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☒		

If an emerging growth company, indicate by check mark if the registrant has selected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and nonvoting common equity held by non-affiliates of the registrant was approximately $396,652,975 on December 31, 2020, using the closing price on that day of $18.58.

The number of shares of the registrant's $0.0001 par value common stock outstanding as of August 18, 2021 was 24,895,864.

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FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (this "Annual Report") and our other public filings contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements give expectations or forecasts of future events. Forward-looking statements can sometimes, but not always, be identified by words such as "believe," "expect," "anticipate," "estimate," "project," "plan," "should," "intend," "may," "will," "would," "potential" and similar expressions to future periods. Forward-looking statements are not based on historical facts but rather represent current expectations and assumptions. Forward-looking statements include statements we make about matters such as: future revenues; solvency; future industry market conditions; future changes in our capacity and operations; future operating and overhead costs; intellectual property; regulatory and related approvals; the conduct or outcome of pre-clinical or clinical (human) studies; operational and management restructuring activities (including implementation of methodologies and changes in the board of directors); future employment and contributions of personnel; effects on the global economy of the COVID-19 virus; tax and interest rates; productivity, business process, rationalization, investment, acquisition and acquisition integrations, consulting, operational, tax, financial and capital projects and initiatives; changes in the legal or regulatory environment; and future working capital, costs, revenues, business opportunities, cash flows, margins, earnings and growth.

Forward-looking statements relate to the future and are subject to many risks, assumptions and uncertainties, including those risks set forth in this Annual Report in Part I, Item IA Risk Factors and elsewhere. Although we believe the expectations reflected in the forward-looking statements are reasonable, actual results, developments and business decisions could differ materially from those contemplated by such forward-looking statements. The environment in which we operate is highly competitive, highly regulated and rapidly changing and it is not possible for our management to predict all risks, as new risks emerge from time to time.

All subsequent written and oral forward-looking statements by or attributable to us or persons acting on our behalf are expressly qualified in their entirety by these factors. We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future developments or otherwise, except as may be required by law.

Currency

In this Annual Report, all references to "dollars" or "$" are to the currency of the United States.

PART I

Item 1. BUSINESS

GENERAL

AVITA Medical, Inc. (**"AVITA"** or the **"Company"**, and its subsidiaries, including AVITA Medical Pty Limited ("**AVITA Medical**"), the former parent company, (collectively, "**AVITA Group**" or "we", "us")) is a regenerative medicine company that is developing and commercializing a technology platform that enables point-of-care autologous skin restoration for multiple unmet needs. Our patented and proprietary platform technology provides innovative treatment solutions derived from the regenerative properties of a patient's own skin. Our RECELL® Autologous Cell Harvesting System (**"RECELL System" or "RECELL"**) enables clinicians to prepare Spray-On Skin™ Cells, an autologous skin cell suspension that is sprayed onto the patient to regenerate natural healthy skin.

CORPORATE

AVITA Medical, the former parent company of the AVITA Group, began as a laboratory spin-off in the Australian State of Western Australia. AVITA Medical was formed under the laws of the Commonwealth of Australia in December 1992 and has operated as AVITA Medical since 2008. AVITA Medical's ordinary shares originally began trading in Australia on the Australian Securities Exchange ("**ASX**") on August 9, 1993. AVITA Medical's American Depositary Shares ("**ADSs**") traded over the counter on the OTCQX under the ticker symbol "AVMXY" from May 14, 2012 through September 30, 2019 and its ADSs began trading on the NASDAQ on October 1, 2019, under the ticker symbol "RCEL".

On June 29, 2020, a statutory scheme of arrangement under Australian law to effect a redomiciliation of the AVITA Group from Australia to the United States of America was implemented (the "**Redomiciliation**"). The Redomiciliation was approved by shareholders on June 15, 2020 and approved by the Federal Court of Australia on June 22, 2020.

Pursuant to the Redomiciliation, all ordinary shares in AVITA Medical, the former parent company of the AVITA Group, were exchanged for shares of common stock in the Company. As a result, the Company became the sole shareholder of AVITA Medical and the new parent company of the AVITA Group. In conjunction with the Redomiciliation, an implicit consolidation or reverse split on a 1 for 100 basis was implemented whereby shareholders of AVITA Medical received one share of common stock in the Company for every 100 shares held in AVITA Medical.

Under the Redomiciliation, eligible shareholders in AVITA Medical received consideration in the form of :

- five CHESS Depositary Interests ("**CDIs**") in the Company for every 100 ordinary shares in AVITA Medical that were held by them; or
- one share of common stock in the Company for every 5 ADSs in AVITA Medical that were held by them.

The Company's CDI's are quoted on the ASX under AVITA Medical's former ASX ticker code, "AVH". The Company's shares of common stock are quoted on NASDAQ under AVITA Medical's former NASDAQ ticker code, "RCEL". One share of common stock on NASDAQ is equivalent to five CDIs on the ASX.

As a result of the 'implicit consolidation' that occurred under the Redomiciliation, the number of shares of common stock issued and outstanding in the Company (as set out in the consolidated financial statements) is less than the number of ordinary shares in AVITA Medical that was set out in the consolidated financial statements of AVITA Medical prior to August 28, 2020.

COVID-19 IMPACT ON OUR BUSINESS

The coronavirus ("COVID-19") pandemic has created significant disruptions to the global economies and financial markets. In the United States, State and Local Governmental authorities have responded by issuing orders, of varying degrees, requiring quarantines, restrictions on travel, mandatory closures of certain non-essential businesses, as well as providing recommendations to minimize social gatherings or interactions. The Company's business and operations have been impacted by COVID-19 as the effects of COVID-19 related travel restrictions have reduced accidents and the incidence of burns and burns admissions. In addition, during the pandemic, our commercial team's access to hospitals was limited to case attendance and training. As COVID-19 abates and the restrictions are lifted, we anticipate that burn related accidents will resume to pre-COVID levels. In response to the pandemic, we have taken certain business measures which include institution of various workplace protections to ensure the safety of our employees (e.g.,

wearing of masks, wiping down high touch areas, etc.), and the limiting of vendors and visitors to our facilities. We have limited activities at our corporate headquarters, encouraged our employees to work from home, encouraged virtual meetings, restricted non-essential business travel, made physical modifications and enhancements to our facilities to effect social distancing, and provided personal protective equipment to our employees. We have increased safety stocks of our product, established temporary satellite product storage locations, and accelerated initiatives to increase sourcing options. Throughout the pandemic, we have remained focused on managing the business for the long-term, including maintaining our employee workforce as well as continuing to invest in critical research and development, clinical, and corporate infrastructure-related programs.

STRATEGY

Our objective is to become the leading provider of regenerative medicine addressing unmet medical needs in burn injuries, trauma injuries, and in dermatological and aesthetics indications, including vitiligo as well as cell and gene therapies. To achieve this objective, we intend to:

- Become the standard of care in the U.S. burns industry by increasing RECELL System penetration in burn centers and with burn physicians
- Commercialize the RECELL System in the U.S. for use in soft tissue reconstruction following completion of our current FDA pivotal study in soft tissue reconstruction
- Commercialize the RECELL System in the U.S. for use in treatment of vitiligo following completion of our current FDA pivotal study in vitiligo
- Accelerate commercial activities in Japan through our partner Cosmotec once we receive PMDA approval for RECELL with an indication in burns, soft tissue or vitiligo
- Accelerate commercial activities outside of the U.S. and Japan once we have received FDA approval with RECELL System indications in soft tissue and vitiligo
- Pursue potential commercialization opportunities for the RECELL System related to skin rejuvenation and Epidermolysis Bullosa indications following planned proofs of concept and related FDA pivotal studies
- Further invest in our RECELL System platform to improve workflow, speed, and ease of use as it relates to specific indications, as well as to build upon our intellectual property estate
- Pursue business development opportunities that are complementary to our core RECELL System indications and/or our targeted markets
- Improve our margins and profitability by leveraging our current team and infrastructure across an expanding base of business in burns and in future indications

RECELL® PLATFORM

The RECELL System has a long-established safety profile, and clear potential for clinical and health-economic value propositions across a range of skin-related clinical indications. The patented and proprietary platform technology underlying Spray-On Skin Cells originated in Australia, based on the seminal work of Professor Fiona Wood and fellow scientist Marie Stoner. RECELL was initially launched in the E.U. during 2005, and then in Australia in 2006, ahead of pivotal outcomes data demonstrating clinical performance relative to standard care. Pivotal trials were conducted in the U.S. beginning in 2010. On September 2018 the U.S. Food and Drug Administration ("**FDA**") approved the Class 3 device through a premarket approval ("**PMA**") for the treatment of acute thermal burn injuries in patients 18 years and older. Following receipt of our PMA, we commenced promoting the RECELL System in January 2019 in the U.S. RECELL is a first-of-kind medical device approved through FDA's Center for Biologics Evaluation and Research, and the first Class 3 device approved for use in burn care in over 20 years.

The RECELL System is a single use (disposable), stand-alone, battery operated, autologous cell harvesting device containing enzymatic and buffer solutions, sterile surgical instruments, and actuators to achieve the disaggregation and delivery of skin cells. The platform technology of the RECELL System allows for the preparation and delivery of Spray-On Skin Cells, an autologous cellular suspension comprised of the patient's own skin cells necessary to regenerate natural healthy epidermis. These Spray-On Skin Cells are prepared at the point of care in as little as 30 minutes, providing a new way to treat thermal burns, other wounds, skin injuries or

defects of the skin. The skin cell suspension includes keratinocytes, fibroblasts, and melanocytes, all of which play critical roles in skin regeneration. The treatment of burns with RECELL yields proven and significant reduction in the harvesting of donor skin. Donor sites are of great concern amongst burn patients. Burn wounds treated using RECELL show comparable results in burn wound healing outcomes relative to conventional grafting, despite the use of 32.0-97.5% less donor site tissue. The ability of RECELL to retain melanocytes in the cell suspension is notable as these cells are critical for the restoration of natural pigmentation to the area treated, which is being further evaluated in ongoing clinical trials. Skin cell suspension is a powerful therapeutic with the potential for addressing unmet needs in a number of clinical indications, including burns, soft tissue reconstruction, and vitiligo.

RESEARCH & DEVELOPMENT

The launch of the RECELL System into the U.S. market provided an opportunity to gain valuable, in-depth insight into the patient care pathway, as well as the workflow for surgical management of burn wounds. We continue to commit significant and increasing resources in product development to ensure that our device continues to evolve and has robust patent protection. The next iteration of the RECELL System is currently under review with the FDA and will present a more streamlined workflow for enhanced ease-of-use in the clinical setting, while producing the same autologous skin cell suspension. This new version of the RECELL System is expected to be commercialized in the first half of calendar year 2022 and will offer improved convenience along with an opportunity to expand our intellectual property portfolio.

Further product development is ongoing on a next generation device for more automated implementation of the core Spray-On Skin Cells technology, to advance the user experience toward less hands-on processing time. With each iteration of our RECELL System development, we anticipate preservation of the therapeutic power of Spray-on Skin Cells, deployed in devices that become appropriate for use in an increasing range of clinical settings. This is particularly important as we aim to enter the dermatology space, where there is a shift toward an emphasis on the volume of patients treated in a day.

Cell-based gene therapeutic applications are an extension of the platform, where *modified* skin cells are applied in suspension for regeneration of skin (from genetically corrected or molecularly reverse-aged cells). For instance, in the case of rejuvenation, rather than skin regeneration directly from the patient's own skin cells, harvested cells are planned to undergo a process of molecular reverse aging prior to reintroduction to the patient. Similarly, for Epidermolysis Bullosa (**"EB"**), harvested cells are planned to undergo a gene modification process to correct the underlying defect, such that when the EB wounds are treated, skin is regenerated that does not exhibit the characteristic blistering and fragility associated with EB.

In summary, our research and development efforts are currently focused on:

- Further clinical development of the RECELL System in additional skin-focused clinical indications where the platform can be leveraged. Specifically, to expand our footprint within wounds and dermatology, such as soft tissue reconstruction and vitiligo. These activities are generally characterized by pivotal studies for which FDA has approved an Investigational Device Exemption ("**IDE**")
- RECELL platform technology evolution to improve workflow, speed, and ease of use
- Expansion of the technology platform underlying the RECELL System into cell-based gene therapy, including combining the platform with other technologies, to allow development of the platform in other indications (including orphan indications)
- Further research and characterization of the RECELL System design and the composition and activity of the Spray-On Skin Cells suspension to support further clinical development of the platform, and to expand our intellectual property estate

TARGET MARKETS

Burns

Acute thermal burns are life-threatening and debilitating injuries that are among the most challenging and expensive to manage. These injuries require complex surgical procedures, long and costly hospitalization, and have a high potential for clinical complications and requirement for rehabilitation and scar treatment. In the U.S., the largest market for the treatment of burns, approximately 486,000 people seek treatment for burns each year. Of these, at least 40,000 have burn injuries severe enough to require hospital admission, and it is estimated that 3,300 patients die each year. The majority of patients treated on an inpatient basis in the U.S. are treated in specialized burn centers.

Severe burns (typically defined as second- and third-degree) are commonly treated with autologous split-thickness skin grafts ("**STSGs**") to achieve definitive closure of the burn wound. In a STSG, or autograft, donor skin is harvested from a healthy area of the patient's skin. The donor skin is then typically perforated into a mesh that can be expanded and transferred to cover the prepared burn

injury. Treatment with STSG results in additional trauma for the patient due to creation of a new donor site wound. Although the use of STSG has been a standard treatment for more than 50 years, autografting is associated with significant pain, itching, infection, dyschromia, dyspigmentation, delayed healing, and hypertrophic scarring of the donor site.

The clinical benefits of earlier wound closure are well recognized and include increased survival, reduced hospital length of stay, decreased pain duration, and reduced infection-related complications. However, in large burn injuries, the patient may have insufficient donor skin available to allow for immediate and complete treatment of the entire burn injury area when using traditional grafting techniques. The lack of available healthy donor skin in patients with large burn injuries is often the central problem impacting time to autografting and definitive closure of the wounds. In extensively burned patients, surgeons often must wait until the donor sites have healed so they can re-harvest from the sites, resulting in delays in treatment and closure, requiring multiple procedures, and extending hospital stay. While waiting for donor skin, the burn wounds may be temporarily covered by allogeneic skin (allograft, cadaver skin) or xenograft (typically pig skin). The overall cost of treatment with STSG is expensive - for example it would cost approximately $579,000 and 59.4 days in hospital for a patient with a 40% Total Body Surface Area ("**TBSA**") mixed-depth burn injury to recover and return to normal day to day activities.

The RECELL System was approved by the FDA in September 2018 for the treatment of second- and third-degree acute thermal burn injuries in patients 18 years and older. In June 2021, the FDA approved an expanded indication for use to also include treatment of full-thickness (third-degree) pediatric burns, which represent close to a quarter of all burn injuries in the U.S., as well as full-thickness burn injuries greater than 50% TBSA. As a result of having achieved an expanded indication for use in pediatric burns, the BARDA-funded U.S. Pediatric Burns trial has been closed to new enrollment (refer to BARDA Contract section below).

The pivotal studies leading to the RECELL System's FDA PMA for the treatment of acute thermal burns demonstrated that the RECELL System treated burns used 97.5 percent less donor skin when used alone in second-degree burns, and 32 percent less donor skin when used with autograft for third-degree burns, compared to standard of care autografting. In these studies, a statistically significant reduction in donor skin required to treat burn patients with the RECELL System was realized without any associated compromise to healing or safety outcomes. Donor site outcomes from the clinical trial for second-degree burns also revealed a statistically significant reduction in patient-reported pain, increased patient satisfaction and improved scar outcomes.

The RECELL System offers fewer procedures required for definitive closure versus conventional autografts. In pediatric cases using the RECELL System, there were 56% fewer mean surgical procedures (N = 284) compared to the American Burn Association's National Burn Repository (**"NBR"**). Additionally, in patients with >50% TBSA, the RECELL System provided 60% fewer mean surgical procedures versus NBR (N =354).

In addition to robust clinical data, RECELL has proven health economic benefits and a compelling cost-effectiveness model which shows that treatment using the RECELL System for deep partial-thickness burns reduces total treatment costs by an average of 26%, or approximately $37,000, for patients with 10% TBSA and approximately $150,000, for patients with 40% TBSA. For full-thickness burns, treatment using the RECELL System reduced total treatment cost by 3%, or approximately $6,000 for patients with 10% TBSA and by 42% or approximately $243,000, for patients with 40% TBSA. These cost reductions are attributed to decreasing the length of hospital stay, reducing the number of procedures required to close the burn wound, and minimizing the donor site size and associated wound care. All of these cost savings estimates are net of the cost of the RECELL System.

A budget impact model was developed and has been used to calculate the annual budget impact of current standard of care for the treatment of burns versus treatment using the RECELL System for a burn center with 200 patients. The model shows that treatment using the RECELL System reduces annual total treatment costs from approximately $39.4 million to $32.6 million, saving 17% or approximately $6.8 million per year.

The market for treatment of burns in the U.S. is highly concentrated, with approximately 136 burn centers and approximately 300 burn surgeons who treat the majority of severe burns in the country (i.e., ~75%). Accordingly, our target market is predominantly focused on burn centers. Our goal is to establish RECELL as the standard of care for any burn injury that requires grafting for patients with 5% TBSA injury or greater. Within burn centers, we estimate that there are approximately 25,000 patients annually that could benefit from our technology and equates to a serviceable annual addressable market of ~$260 million. Each RECELL System can treat up to 10% TBSA, and many patients will require more than one device.

AVITA has a policy of not providing the RECELL System to a provider until they have been certified, which includes extensive training in the use of the product and in the aftercare of the patient. In general, we have found that most U.S. burn centers follow the industry-standard process of evaluating the RECELL System and then taking it through their hospital's Value Analysis Committee ("**VAC**") prior to purchasing. This process can sometimes be a lengthy one, taking 6 months or more to complete. As a result of training requirements and the VAC process, we have found that full adoption of the RECELL System among U.S. burn

centers occurs on a gradual basis, in many cases over multiple years. In general, most surgeons follow a typical adoption curve, starting from where they see the greatest economic and clinical value, which is the use of RECELL for treatment of larger burns. With time and continued use, surgeons typically progress to adoption of RECELL for smaller, less severe burns and facial burns. Each surgeon traverses the adoption curve at a different rate – some in as few as 6 months and others expected in 3-5 years.

In the U.S., existing reimbursement codes were in place prior to the commencement of commercial sales of the RECELL System. For inpatient treatment of burn patients, U.S. hospitals are reimbursed under DRG (Diagnosis Related Group) Codes based on diagnosis of a patient's injuries. Future expansion of use of the RECELL System for treatment of burns in the outpatient setting will require us to successfully obtain incremental reimbursement coverage for use of the RECELL System in that setting. In August 2020, we filed a Transitional Pass-through Payment Application ("**TPT**") with The Centers for Medicare & Medicaid Services ("**CMS**") to support separate, additional Medicare payment for use of the RECELL System. If approved, CMS would create a new "C code" and would allow use of the RECELL System to be billed and paid separately in hospital outpatient facilities and ambulatory surgical centers. On July 19, 2021, CMS released the 2022 Medicare Hospital Outpatient Prospective Payment System proposed rule which contained a review of RECELL's Transitional Pass-through Payment application. CMS is inviting public comment on whether the RECELL System meets the device pass-through payment criteria discussed in the document. The Company expects to be informed of CMS's decision on our TPT submission towards the end of December 2021, with the code expected to go into effect in early 2022. Importantly, the Company will then need to work with commercial carriers to ensure broader coverage once the code has been granted. The TPT code is not indication specific, so as AVITA gains approval of additional indications outside of acute thermal burn treatment, the same code will apply. For physicians, CPT (Current Procedural Terminology) codes for use in RECELL System procedures are recommended by the American Burn Association and are the same for both inpatient and outpatient use.

Outside of the U.S., Japan is the second largest healthcare market. There are approximately 6,000 patients/per year who suffer from severe burns in Japan who would be a target for the RECELL System. Large patient populations coupled with healthy reimbursement coverage makes Japan an attractive market for the RECELL System. In February 2019 we entered into a collaboration with Cosmotec Company, Ltd ("**COSMOTEC**"), an M3 Group company, to market and distribute the RECELL System for the treatment of burns, other wounds, and vitiligo in Japan. We continue to work with COSMOTEC to advance our application for approval to market the RECELL System in Japan pursuant to Japan's Pharmaceuticals and Medical Devices Act ("**PMDA**"). The Company anticipates regulatory approval in Japan by the end of December 2021 and that COSMOTEC will commercially launch RECELL in Japan during calendar year 2022. Although RECELL was submitted for a broad indication for use including all acute wounds and vitiligo, it is unclear whether the PMDA will grant COSMOTEC labelling outside of burns where the Company has the most robust data.

Given the size and concentration of the U.S. & Japanese markets, our commercial efforts are almost exclusively focused on these geographies. Our highly limited effort in other non-U.S. regions is based on our assessment that the acute burn market in many countries is proportionately less than the market in the U.S., and the investments in full marketing and sales including the effort to obtain reimbursement are not justified until we have obtained pivotal clinical results in additional indications. In Australia and Europe, the RECELL System is no longer actively promoted, and our commercialization efforts are limited to filling sales orders as received from a small group of customers previously trained in use of the product. As additional pivotal data for the RECELL System are generated in additional indications, we plan to accelerate commercialization of the RECELL System in countries outside the U.S. through a combination of collaborations and direct efforts, depending upon the region and indication.

Soft Tissue Reconstruction

Soft tissue reconstruction includes treatment of injuries caused by non-burn trauma, including excision of infected tissue, such as necrotizing soft tissue infections. While minor skin defects may be primarily closed with sutures or standard wound care, larger open defects require more complicated approaches, including skin grafts, tissue flaps and dermal matrices.

Similar to the burns indication, soft tissue reconstruction is associated with large areas of skin loss and as such, some of the top unmet needs identified by surgeons are closely aligned:

- Reduced donor skin harvesting
- Reduced scarring
- Reduced pain
- Uniform pigmentation with surrounding skin

Given the interest to reduce donor skin harvesting, just as with the burns indication, we designed a clinical trial to demonstrate the use of less donor skin without compromising healing outcomes relative to conventional autografting. The trial is essentially a repeat of the successful previous trial in full-thickness burns, but with a population of patients with full-thickness, non-burn injuries.

On September 17, 2019, the FDA approved an Investigational Device Exemption ("**IDE**") to conduct a pivotal trial evaluating the safety and effectiveness of the RECELL System in combination with meshed autografting for the treatment of acute full-thickness skin defects. Subsequently, on March 2, 2020, we initiated a prospective, multi-center, randomized controlled study for soft tissue reconstruction with the enrollment of the first patient at the Arizona Burn Center at Valleywise Medical Health Center in Phoenix, AZ. Each patient will have a control wound treated with conventional skin grafting and a wound treated with expanded skin grafting in combination with RECELL. Enrollment of this pivotal study is ongoing. As of the end of our 2021 fiscal year, we had enrolled 32 out of 65 patients and we expect enrollment to be completed during calendar year 2022.

Open wounds associated with traumatic injuries caused over 4.5 million hospital visits in the U.S. in 2017, and traumatic wounds rank among the five most costly medical conditions. We estimate that the total annual addressable market for RECELL in soft tissue reconstruction is approximately $1 billion. Approximately 80% of our current burn accounts represent opportunities for use of RECELL in soft tissue reconstruction. We plan to build out our existing field team to cover >400 target accounts in acute wounds (representing burn and high-volume trauma accounts). As such, our estimated annual serviceable addressable market in soft tissue reconstruction is approximately $450 million. Degloving (a type of injury where the skin is ripped from the underlying tissue), abrasions and infectious disease (e.g., necrotizing soft tissue infections, like flesh-eating disease), have the greatest stated intent to use, based on market research. We believe RECELL will be used in both the inpatient & outpatient settings and in general, with wounds 5% TBSA and larger.

From a reimbursement perspective, the same CPT (physician payment) coding that is currently being used in burns can be leveraged. Assuming we are successful securing an outpatient TPT code, this same TPT code, which is not indication specific, could be utilized for soft tissue reconstruction.

RECELL has been successfully used outside the U.S. for many years and there exist several case reports on the treatment of traumatic injuries (soft tissue reconstruction) that have been the subject of peer-reviewed scientific publications and presentations at medical conferences. Patients with traumatic injuries have also been treated using the RECELL System under the U.S. Compassionate Use program and although AVITA does not promote the use of RECELL in soft tissue reconstruction in the U.S., some surgeons have started successfully using the product. This is not surprising as many burn surgeons also work in Level 1/Level 2 trauma centers and treat a great deal of traumatic wounds and as mentioned earlier, acute wounds (regardless of burn or non-thermal origin) present the same unmet needs and have similar treatment protocols. In summary, soft tissue reconstruction is a significant opportunity which AVITA can pursue leveraging its existing resources. Further, this opportunity is significantly de-risked based on the historical performance of the product in this indication.

Vitiligo

Vitiligo is a disease that causes the loss of skin pigmentation, or color, in patches that tend to increase in size over time. The extent and rate of color loss from vitiligo is unpredictable, can affect the skin on any part of the body, and may also affect hair and the inside of the mouth. Vitiligo occurs when melanocytes, the pigment-producing skin cells, die or stop producing melanin, the pigment that gives skin, hair, and eyes color. Vitiligo is believed to be an autoimmune disorder in which a patient's immune system attacks and destroys the melanocytes in the skin. It may also be caused by heredity factors or a triggering event, such as sunburn, stress, or exposure to industrial chemicals. Vitiligo affects people of all skin types, but it may be more noticeable in people with darker skin. It is estimated that worldwide vitiligo prevalence is between 0.5-2% of the population. The condition is not life-threatening or physically painful, but it can significantly alter physical appearance, have negative emotional and psychological consequences, and impair quality of life.

Vitiligo cannot be cured at present, and medical treatments generally fall into one of two categories:

1. Treatments to arrest the spread of vitiligo, such as steroid creams and non-steroidal anti-inflammatory creams. There are also a number of therapies under development designed to target the underlying autoimmune disease. One challenge in terms of achieving the desired patient outcome is that stopping the spread of vitiligo may not restore pigmentation to the areas already damaged.
2. Treatments to restore pigmentation include skin grafting, laser phototherapy (with and without topicals), and Melanocyte-Keratinocyte Transplantation Procedure ("**MKTP**"). MKTP requires expensive and substantial laboratory equipment and is currently only available in 4 locations in the U.S.

RECELL does not treat the underlying disease. Rather, it addresses the second category only and works to restore pigmentation. The key unmet need is a durable, one-time treatment that has potential to be scalable. MKTP has been proven to be effective but is only available in 4 U.S. locations due to complexity and the associated substantial investment in lab equipment. The procedure is also lengthy (3 hours). RECELL is a similar procedure, however, it can be done in as little as 30 minutes, in any dermatology setting. Compared to MKTP, RECELL is essentially a lab in a box that can be easily distributed.

Interest in vitiligo treatment tends to increase in individuals who have lesions in more visible areas (such as the face and hands) as well as the younger population (<40). We estimate that there are approximately 1.3 million people in the U.S. with stable vitiligo who would be both eligible and interested in a surgical approach which equates to a total addressable market of over $5 billion. The RECELL treatment is initially anticipated to be provided by a vitiligo specialist and surgical dermatologist in the office setting and we estimate that this will likely not exceed 1,000 physicians. Approximately 188,000 vitiligo patients who have insurance or the ability to pay are likely at those target call points, and this equates to a serviceable market opportunity of approximately $750 million.

The market is expected to grow, especially over the next decade with the advent of novel treatment options including oral and topical Janus Kinase ("**JAK**") inhibitors. Although these new products will both stabilize and re-pigment some patients, it is anticipated that many patients will need additional modes of treatment for re-pigmentation. Further, large pharmaceutical companies with assets in development will likely invest in disease awareness campaigns which will further grow consumer awareness and the market.

On December 23, 2019, the FDA approved our IDE application to conduct a feasibility study evaluating the safety and effectiveness of the RECELL System for re-pigmentation of depigmented lesions associated with stable vitiligo. This study is a single site study being conducted at the University of Massachusetts Medical School in ten (10) patients that have had vitiligo stable for at least one year. Areas of the vitiligo lesion will be randomly treated with slightly varying cell suspensions prepared using RECELL to confirm response rates and optimal suspension parameters, as well as to compare outcomes and cell suspension characteristics with MKTP. The randomized controlled study's primary effectiveness measure is the percent area of repigmented skin 24 weeks after treatment, as evaluated by a clinician blinded to the treatment assignment. Additional effectiveness data collected over the course of the 24-week study will include blinded evaluator categorization of treatment success and patient rating of repigmentation. The Company commenced enrollment in the vitiligo feasibility study in September 2020 and as of the end of the 2021 fiscal year had completed treatment of 5 of the 10 patients.

In addition to the abovementioned feasibility study, on July 1, 2020, the FDA approved our IDE application for a pivotal study in vitiligo which is titled "A Prospective Multi-Arm Blinded-Evaluator Within-Subject Randomized Controlled Clinical Study to Investigate the Safety and Effectiveness of RECELL for Repigmentation of Stable Vitiligo." The primary endpoint compares the incidence of 80% repigmentation of RECELL-treated areas versus that of phototherapy control-treated areas. The Company commenced enrollment in the vitiligo pivotal study in September 2020 and had treated 16 patients as of June 30, 2021. While the pivotal trial design initially had 3 separate arms evaluating the clinical performance of varying cell suspensions (1:5, 1:10, and 1:20 donor expansion), we are in discussion with FDA concerning a single-arm design to evaluate only the 1:20 cell suspension. With a single arm design, it will be possible to complete enrollment in the pivotal program during calendar year 2021.

We expect revenue from the vitiligo business to stem from both cash pay as well as patients for whom treatment is covered by insurance. Vitiligo rates a '7.61' on the Dermatology Life Quality Index ("**DLQI**"), which is in the same range of other aesthetic dermatological disease analogs which receive healthy positive reimbursement such as Rosacea (5.2), Psoriasis (9.3) and Atopic Dermatitis (12.79). As such, we are optimistic that we will achieve both coding and coverage for the desired indication. Further, large commercial carriers such as Cigna have recently announced coverage up to $38,000 annually for excimer laser phototherapy for vitiligo, indicating yet another signal in the importance of therapy for this disease.

The Company has a high degree of confidence that the RECELL System can be an effective therapeutic offering for patients with stable vitiligo. More than 1,000 patients have been successfully treated with the RECELL System for stable vitiligo outside of the U.S., and to date there are eleven (11) publications demonstrating the benefits of the RECELL System in vitiligo. Vitiligo is a large and untapped market with no FDA-approved treatments. RECELL would be the first point-of-care device for preparation of pigment cell suspension which could offer a single application treatment for patients with stable vitiligo.

Epidermolysis Bullosa

The RECELL System has been studied in a wide variety of indications and has been shown to enable patients to regenerate natural healthy skin in instances where the patient's outer skin covering, or epidermis, has been lost or damaged. In addition to these applications of the RECELL System, we are pursuing related opportunities where the RECELL System's ability to harness the natural healing capabilities of the body could be augmented with the use of genetically modified cells for treatment of certain genetic skin disorders. In this way, the RECELL System could potentially be used as a vehicle for other therapeutic offerings.

Epidermolysis Bullosa ("**EB**") is a rare and incurable group of disorders caused by mutations in genes encoding structural skin proteins. EB is characterized by skin fragility and blistering leading to chronic wounds due to normal mechanical trauma. Dystrophic EB ("**DEB**") is often associated with widespread blistering, pain, pruritus, extensive scarring, increased risk of squamous cell carcinoma with increased mortality. Signs typically occur at birth and persist over a lifetime. Currently, there are no FDA-

approved treatments. All treatment options are palliative—focused primarily on pain and nutritional management, itching relief, and wound care (bandaging) with a significant cost burden ranging from $200,000-$500,000 per year per patient.

In November 2019, AVITA entered into a research agreement with the Gates Center for Regenerative Medicine at the University of Colorado School of Medicine ("**Gates Center**") for the purpose of seeking to establish pre-clinical proof-of-concept for a spray-on treatment of genetically corrected cells. Pursuant to this agreement, we are pairing the RECELL System Spray-On Skin Cells technology and expertise with the Gates Center's innovative patent-pending combined reprogramming and gene-editing technology, to allow the skin cells of patients with EB to function properly. Under the arrangement with the Gates Center, we retain the option to exclusively license technologies emerging from the partnership for further development and commercialization.

There are several products in development for EB, including other gene therapies, but to our knowledge this will be the first spray-on method explored for the delivery of a gene therapy for a genetic skin disease. We expect the developed technology to be widely applicable, and agnostic to the gene correction approach used. Further, Gates Center's patented approach is unique in that it is designed to correct the underlying defect in the gene and not just augment with additional copies of genes. It also enables a single step, integration-free reprogramming which enables expansion of corrected cells. Further, many of the products in development are targeted at addressing symptoms of the disease and are not curative, while others will require repeat administration versus a "one and done" approach. Others have faced significant developmental delays. In addition, we believe that spray-on delivery of genetically corrected cells for *in situ* skin regeneration will have significant benefits over epidermal sheet-based delivery. Without the requirement for cultured sheets, delivery of the therapeutic will be faster and more logistically practical without the challenges associated with production and transportation of fragile, confluent sheets. Moreover, Spray-On Skin Cell delivery to patients is significantly less complex as the treatment area is sprayed and dressed as opposed to suturing on an epidermal graft that does not always "take."

DEB is an orphan disease with a prevalence of approximately 6 per million with the majority of individuals not surviving past their 30th birthday. In the U.S., we estimate there are approximately 900 EB patients eligible for the technology that we have in development and that the price point would be in the range of $850,000, leading to a $750 million addressable market. We also believe there are potential faster regulatory pathways to market by leveraging FDA programs for orphan diseases, and a high probability of reimbursement success and quick adoption given the dire need from patients.

This agreement marks an important milestone in AVITA's strategy to expand the potential of our regenerative medicine platform and is another step towards our mission of improving patients' lives and addressing unmet needs, including those conditions that are driven by genetic aberrations. Further, this program could enable diversification beyond EB as the technology has potential applicability to other EB sub-types and over 50 other genetic skin disorders such as epidermolytic icthyosis and Hailey-Hailey disease. We expect to realize proof of concept with its EB-related work with Gates Center by the end of December 2021.

Rejuvenation

We believe that reversing aging at a cellular level has the potential to impact rejuvenation by driving functional changes to skin cells. This will be significantly different from existing products, such as cosmeceuticals that supplement proteins to cells, and surgical approaches that do not alter cellular stat but alter tissue morphology. An approach for molecular reversal of the underlying defects resulting in aging could have a profound effect on rejuvenation.

In November 2020, AVITA announced a preclinical research agreement with the Houston Methodist Research Institute ("**HMRI**") to explore molecular reversal of cellular aging through a novel cell suspension delivery system. AVITA retains the option to exclusively license HMRI's patented technology as well as the right of first negotiations to HMRI's technologies emerging from the partnership for further development and commercialization. AVITA expects to realize proof of concept with its rejuvenation work with HMRI by the end of December 2021.

HMRI is a compelling partner for this work. Dr. John Cooke and his team have developed a novel, patented approach of telomerase reverse transcriptase delivery to reverse cellular aging and have been widely recognized as leaders in this space with multiple peer reviewed publications, grants, and awards. Further, HMRI has a strong program in translational medicine, including the Center for Rapid Device Translation that supports preclinical testing and GLP environments which could enable rapid translation from research into clinical trials.

American consumers spend over $16 billion on aesthetic procedures per year. 10 million injectable cosmetic procedures were performed in 2019. While these are popular procedures, they do not address skin tone, texture, or tightness. Approximately 350,000 facelift and forehead lift procedures were performed in the same time period. The dramatic differences in procedure volumes are likely due to invasiveness and fear of surgery (including general anesthesia) as well as cost. Consumers are seeking a natural, more youthful appearance and there is a whitespace in the market for a minimally invasive procedure that provides meaningful results.

SALES AND MARKETING

We sell the RECELL System in the U.S. through our direct commercial organization consisting of 23 field personnel who are supported by corporate marketing, reimbursement, scientific and medical affairs, operations, and corporate leadership. The field sales team was recruited and hired subsequent to the September 2018 FDA PMA and trained prior to the U.S. market launch of RECELL in January 2019. Our field organization is composed of highly experienced medical sales representatives as well as former burn nurses averaging 19 years of sales experience and 10 years of burns experience. We believe that our current field organization is of an appropriate size, without significant additions, to reach the burn surgeons and other key decision makers and staff associated within U.S. burn centers.

A primary objective of our field sales team is to build upon burn community awareness that has resulted from an extensive series of RECELL System related burn conference presentations and scientific publications to further expand interest in the clinical and economic benefits of the RECELL System. In addition, our field sales team provides robust clinical case support and staff training. It is not uncommon in the burn community to have rotating staff and it is our commitment for all those working with RECELL to be comfortable with the technology both during the procedure as well as during aftercare.

HUMAN CAPITAL

AVITA's investment in the U.S. commercial success of RECELL has led to the development of best-in-class teams supporting sales, clinical education and training, reimbursement, medical affairs, as well as corporate management and infrastructure. As of June 30, 2021, we had approximately 108 employees full-time and part-time employees. As of June 30, 2021, 97.3% of our workforce was based in the United States, with a significant number of our management and professional employees having prior experience with leading medical product, biotech, or pharmaceutical companies. None of our employees are covered by collective bargaining agreements.

We embrace differences, diversity and varying perspectives amongst our employee base and are proud to be an equal opportunity employer. We do not discriminate based on race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, military or veteran status, sexual orientation or any other protected characteristic established by federal, state, or local laws. A diverse workforce as well as an inclusive culture and work environment are fundamentally important and strategic to us beginning with our Board of Directors and CEO and extending to all levels of the Company. As of June 30, 2021, our executive leadership team was 50% female, our senior leadership team was 40% female, and our total employee base was 47% female. In addition to promoting gender diversity, we encourage ethnic diverse talent when recruiting as well as provide employee training and development focusing on workplace diversity and inclusion.

INTELLECTUAL PROPERTY

We seek to protect our intellectual property, core technologies and other know-how through a combination of patents, trademarks, trade secrets, non-disclosure and confidentiality agreements, licenses, assignments of invention and other contractual arrangements with our employees, consultants, partners, suppliers, customers, and others. Additionally, we rely on our research and development program, clinical trials, know-how and marketing programs to advance our products and product candidates, and to expand our intellectual property rights.

As of June 30, 2021, we have been granted a total of 56 patents and have 26 pending patent applications worldwide. AVITA owns granted patents in Austria, Australia, Belgium, Brazil, France, Germany, Hong Kong, Italy, Japan, Netherlands, Portugal, Spain, Sweden, Turkey, United Kingdom and USA, as well as pending patent applications in Brazil, Canada, China, Europe, Hong Kong, and the United States. AVITA's patent portfolio covers AVITA's core RECELL System, methods of using the RECELL System, the Regenerative Epidermal Suspension ("RES®") suspension, methods of evaluating the therapeutic potential of RES, methods of preparing a cell suspension with exogenous agents to promote wound healing, as well as to one or more automated systems for tissue processing and preparation of cell suspension. AVITA's pending patent applications cover an all-in-one RECELL System embodiment, as well as new modifications to RES that are showing potential for therapeutic results. We expect that our research and development pipeline, strategic partnerships with universities, and improvements to the RECELL System and RES will result in additional and diverse patent applications for both compositions of matter and related methods of use in the next calendar year.

In 2019, AVITA filed a Patent Term Extension ("**PTE"**) application with the U.S. Patent and Trademark Office requesting an extension of the patent term of U.S. Patent No. 9,029,140, "Cell suspension preparation technique and device" as a result of the time required for the FDA regulatory process. If the term extension requested in the PTE application is approved, the patent term of U.S. Patent No. 9,029,140, which covers the RECELL System, will be extended to April 9, 2024. AVITA's other patents have expected expiration dates ranging from 2022 to 2040.

Additionally, AVITA owns and defends a global trademark portfolio comprising over 120 registered trademarks and pending trademark applications, including the trademarks "RECELL," "Spray-On Skin," the RECELL System logo, "RES," and others in the U.S. and international markets. In addition to patent and trademark protection, we also rely on trade secrets, know-how, and other proprietary information to develop and maintain our competitive position. We have robust confidentiality and invention disclosure procedures in place that incentivize our employees to innovate and allow us to maintain our rights to AVITA innovations.

FACILITIES

AVITA leases approximately 17,500 square feet of administrative and office space in Valencia, CA that is currently leased through July 31, 2022. The Company operates an FDA-registered production plant in Ventura, California, in a 27,480 square foot facility that is currently leased through September 30, 2024. We have two 3-year options to extend the lease, at our sole option, which allows for a total lease extension period through September 30, 2030. We also lease a limited amount of incubator space in Irvine, CA for scientific research and product development activities.

MANUFACTURING, SUPPLY AND PRODUCTION

We produce the RECELL System in the Ventura facility under current Good Manufacturing Practices ("**cGMP**") and per ISO 13485, which also meets the regulatory requirements of other jurisdictions in which we sell the RECELL System. We maintain a state of regulatory compliance and inspection readiness at all times, and any future material changes to our production processes for the RECELL System will be submitted for approval to the FDA and regulatory authorities in other jurisdictions as required.

Within the Ventura facility we perform the final manufacturing, assembly, packaging, and warehousing of the RECELL System. Also included within the Ventura facility is a secure controlled-temperature warehouse that complies with the vendor-managed inventory (**"VMI"**) requirements of the contract with Biomedical Advanced Research and Development Authority **("BARDA"**). See below for details.

AVITA sources multiple components, sub-assemblies, and materials from third-party suppliers, who are required to meet our cGMP quality specifications and associated regulatory requirements. To ensure continuity of supply, we maintain multiple sources of supply for key components, subassemblies and materials, and the majority of critical raw materials and services have multiple qualified suppliers. While a small number of materials remain single sourced, we are actively working to qualify and validate additional suppliers for these materials as we continue to evaluate methods of removing risk from the supply chain for the RECELL System. We believe that our current manufacturing capacity at the Ventura facility is sufficient to meet the expected commercial demand for the RECELL System for burns, as well as other indications under development, for the foreseeable future.

AVITA serves the U.S. burn market by shipping the RECELL System directly from our Ventura facility to U.S. burn centers. From time-to-time we also store small quantities of the RECELL System at satellite distribution sites within the U.S. to better support access of the RECELL System to our U.S. customers.

BARDA CONTRACT

We have a contract with the Biomedical Advanced Research and Development Authority ("**BARDA**"), under the Assistant Secretary for Preparedness and Response, within the U.S. Department of Health and Human Services, valued at approximately $53.4 million. The contract provided funding for the development of the RECELL System. The contract will continue to provide funding for future use of the product as a medical countermeasure to assist disaster preparedness and response in the U.S. for mass casualty events involving burn injuries. We entered into the contract on September 29, 2015, and the scope has expanded through a number of amendments to the contract. The contract may be terminated earlier at the option of BARDA, but otherwise continues to December 31, 2023.

Under the contract, BARDA has provided funding and technical support for the development of the RECELL System. BARDA funded the completion of two randomized, controlled pivotal clinical trials, as well as Compassionate Use and Continued Access programs, and development of the health economic model demonstrating the cost savings associated with the RECELL System. BARDA exercised a contract option to fund a randomized, controlled clinical trial for a pediatric early intervention study which commenced enrollment in March 2020, and closed to enrollment in June 2021, subsequent to FDA-approval of an expanded RECELL indication for use that includes treatment of pediatric patients. Also included in the BARDA contract was a provision for procurement of the RECELL System under a vendor-managed inventory system to bolster emergency preparedness in the amount of $7.6 million. Further, BARDA expanded the awarded contract to provide supplemental funding of $1.6 million to support the logistics of emergency deployment of RECELL Systems for use in mass casualty or other emergency situations. Delivery of RECELL Systems

under the VMI plan was completed during the fourth quarter of fiscal year 2021. As of June 30, 2021, we had received cumulative payments of $30.9 million under the BARDA contract.

COMPETITION

The medical device, biotechnology and pharmaceutical industries are intensely competitive and subject to significant technological change and changes in practice. While we believe that our innovative technology, knowledge, experience, and scientific resources provide us with competitive advantages, we may face competition from many different sources with respect to the RECELL System or any product candidates that we may seek to develop and commercialize in the future. Possible competitors may include medical device, pharmaceutical and wound care companies, academic and medical institutions, governmental agencies, medical practitioners, and public and private research institutions, among others. Any product that we successfully develop and commercialize will compete with both existing therapies and any new therapies that may become available in the future.

Our primary competitor in the burns market is the current standard of care, primarily split-thickness autografts. Although the RECELL System is complementary with autografts for the treatment of many burn injuries, we face competition from this traditional surgical procedure for many burn patients. However, based on our clinical trials, we believe that the RECELL System has sustainable competitive clinical and economic advantages over this current standard of care. We face additional competition in the burns market from other FDA-approved products such as Epicel® provided by Vericel Corporation as well as from Stratagraft® provided by Mallinckrodt.

GOVERNMENT REGULATIONS

FDA and International Regulation

The production and marketing of the RECELL System and any additional product candidates developed in future ongoing research and development activities are subject to regulation by numerous governmental authorities including the FDA in the U.S. and similar agencies in other countries throughout the world. Pursuant to its authority under the Federal Food, Drug, and Cosmetic Act (FD&C Act), the FDA has jurisdiction over medical devices in the U.S. The FDA regulates the design, development, manufacturing, and distribution of medical devices to ensure that medical products distributed domestically are safe and effective for their intended uses. The FD&C Act classifies medical devices into one of three categories based on the risks associated with the device and the level of control necessary to provide reasonable assurance of safety and effectiveness. Devices deemed by the FDA to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices, or devices deemed not substantially equivalent to a previously 510(k) cleared device are categorized as Class III. These devices typically require submission and approval of a PMA. The RECELL System is categorized as a Class III medical device, and in September 2018 the FDA granted our PMA for use in the treatment of acute thermal burns in patients 18 years and older. In June 2021, the FDA approved a supplement to our PMA to expand the use of RECELL in pediatric patients with full-thickness burns. Approval of the RECELL System for use in the treatment of new indications in the U.S. will require additional PMA supplement submissions to the FDA following successful completion of clinical studies.

To support PMA supplements in the U.S. or applications for approval in other regions, the completion of additional clinical and non-clinical studies and supporting development activities will likely be required. Clinical trials can take many years to complete and require the expenditure of substantial resources. The length of time varies substantially according to the type, complexity, novelty and intended use of the product candidate. We cannot make any assurances that once clinical trials are completed by us or a collaborative partner, that we will be able to submit as scheduled a marketing approval request to the applicable governmental regulatory authority, or that such request and application will be reviewed and cleared by such governmental authority in a timely manner, or at all. Although we intend to make use of fast-track and abbreviated regulatory approval programs when possible and commercially appropriate, we cannot be certain that we will be able to obtain the clearances and approvals necessary for clinical testing or for manufacturing and marketing our product candidates. Delays in obtaining regulatory approvals could adversely affect the development and commercialization of our product candidates and could adversely impact our business, financial condition, and results of operations. During the course of clinical trials and non-clinical studies, product candidates may exhibit unforeseen and unacceptable safety considerations. If any unacceptable side effects were to occur, we may, or regulatory authorities may require us to, interrupt, limit, delay or abort the development of our potential products.

Any products manufactured or distributed by us pursuant to regulatory approvals are subject to continuing regulation by the FDA and similar agencies in other countries, including maintaining records supporting manufacturing and distribution under Current Good Manufacturing Practice ("**cGMP**") regulations, periodic reporting, advertising, promotion, compliance with any post-approval requirements imposed as a conditional of approval, recordkeeping and reporting requirements, including adverse events experiences. After approval, material changes to the approved product, such as adding new indications or other labeling claims, or changes to the manufacturing process, are subject to prior approval by FDA and other regulatory agencies. Medical device manufacturers and their subcontractors are required to register their establishments with the FDA, certain state agencies and international agencies.

Subcontractors are subject to periodic announced and unannounced inspections by the FDA and other agencies for compliance with cGMP requirements. We have established processes in place for categorization of vendor criticality and the associated activities for qualification and monitoring of vendors. These activities include but are not limited to, requiring certification of supplier in conformance to relevant cGMP regulations and other FDA and international agency regulatory requirements, approved supplier lists, and regular Company conducted audits. In addition, all goods and services purchased from suppliers by us must be purchased from only those suppliers on the approved supplier list. Furthermore, the Company itself will continue to comply with all relevant FDA requirements and regulations and any applicable international agency regulatory requirements in its continued manufacturing and promotion of its FDA approved commercial product.

In addition to FDA approval in the U.S., the RECELL System is TGA-registered in Australia for use in the treatment of burns, acute wounds, scars, and vitiligo. In the European Union, the RECELL System has received CE-mark approval for the treatment of burns, chronic wounds, scars, and vitiligo. In February 2019, our marketing partner COSMOTEC filed a Japan's Pharmaceuticals and Medical Devices Act ("**JPMDA**") application for approval to market the RECELL System in Japan for the treatment of burns and other wounds. The JPMDA has accepted the application and the review is ongoing with approval expected to occur during 2021.

HEALTHCARE LAWS AND REGULATIONS

AVITA is a manufacturer of a medical device and therefore we are subject to regulations by the FDA and various federal and state healthcare laws and regulations. These regulations govern our advertising and promotional practices, our interactions with healthcare providers (HCPs), and our reporting of any payments made to HCPs. AVITA is committed to the highest standards of business conduct in accordance with the AdvaMed Code of Ethics.

Interactions with Healthcare Providers

Providing any benefits or advantages to HCPs in order to induce or encourage the use or referral of AVITA products is strictly prohibited by both U.S. and international laws and regulations. Restrictions under applicable Federal and State healthcare laws and regulations include but are not limited to the following:

- The Federal healthcare Anti-Kickback Statute ("**AKS**"). AKS prohibits any person from soliciting, offering, receiving, or providing any remuneration in cash or in kind, whether directly or indirectly, to induce or reward the referral, purchase, lease, order, or recommendation of any item or service for which payment may be made in whole or in part under a federal healthcare program such as Medicare and Medicaid

- The Federal False Claims Act ("**FCA**"). FCA may be enforced by either the U.S. Department of Justice or private whistleblowers should they choose to bring civil (qui tam) actions on behalf of the federal government. The FCA imposes civil penalties, as well as liability for treble damages and for attorneys' fees and costs, on individuals or entities who knowingly present, or cause to be presented, claims for payment that are false or fraudulent to the federal government. FCA also imposes similar penalties on those who make a false statement material to a fraudulent claim, or who improperly avoid, decrease, or conceal an obligation to pay money to the federal government

- State and foreign laws and regulations may apply to sales or marketing arrangements and claims involving healthcare devices or services reimbursed by non-governmental third-party payors

Additionally, certain state laws require medical device companies to comply with voluntary compliance guidelines promulgated by global trade associations and relevant compliance guidance issues by the U.S. Department of Health and Human Services, Office of Inspector General. Such laws prohibit medical device manufacturers from offering or providing certain types of payments or gifts to health care providers; and/or require the disclosure of gifts or payments to healthcare providers.

Interactions with Foreign Officials and Entities

The U.S. Foreign Corrupt Practices Act ("**FCPA**") prohibits any U.S. individual or business from paying, offering, or authorizing payment or offering of anything of value, directly or indirectly, to any foreign official, political party, or candidate for the purpose of influencing any act or decision of the foreign entity in order to assist the individual or business in obtaining or retaining business. The FCPA also obligates companies whose securities are listed in the U.S. to comply with accounting provisions requiring the companies to maintain books and records that accurately and fairly reflect all transactions of the companies, including international subsidiaries, and to devise and maintain an adequate system of internal accounting controls for international operations. We are also subject to similar regulations under the Australian bribery laws and other anti-corruption laws that apply in countries where we do business.

Federal and State Reporting

Pursuant to the federal Physician Payment Sunshine Act, AVITA is required to report annually to the Centers for Medicare and Medicaid Services within the U.S. Department of Health and Human Services, as well as in accordance with all relevant state marketing reporting regulations, any payments, and transfers of value to physicians and teaching hospitals, as well as other categories of disclosures.

Privacy

AVITA must comply with the federal Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**") which imposes criminal and civil liability for, among other conduct, making false statements relating to healthcare matters and executing a scheme to defraud any healthcare benefit program. It also imposes criminal and civil liability and penalties on those who violate requirements such as mandatory contractual terms which are intended to safeguard the security, transmission and use of individually identifiable health information.

Various state and foreign laws also govern the privacy and security of health information such as the European Union General Data Protection Regulation ("**GDPR**"). GDPR governs the use of individual health data and other personal information and imposes strict obligations and restrictions on the ability to use, access, process, and disseminate health data from clinical trials and adverse event reporting, among others.

ENVIRONMENTAL, HEALTH AND SAFETY MATTERS

We are subject to extensive environmental, health and safety laws and regulations in a number of jurisdictions, primarily in California and the U.S., governing, among other things: the use, storage, registration, handling, emission and disposal of chemicals, waste materials and sewage; chemicals, air, water and ground contamination; and air emissions and the cleanup of contaminated sites, including any contamination that could result from spills due to our failure to properly dispose of production waste materials. Our operations at our Ventura manufacturing facility produce a small amount of waste materials that are considered minimally hazardous, and we use a third-party waste disposal company to remove any waste generated during operations from the facility. Our activities require permits from various governmental authorities including local municipal authorities. Local and state authorities may conduct periodic inspections in order to review and ensure our compliance with the various regulations. We are not presently aware of any violations or deficiencies. These laws, regulations and permits could potentially require the expenditure by us for compliance or remediation.

AVAILABLE INFORMATION

The Company files annual, quarterly and current reports, proxy statements and other documents with the Securities and Exchange Commission ("**SEC**") under the Exchange Act. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The public can obtain any documents that we file with the SEC at www.sec.gov. In addition, copies of announcements made by the Company to ASX are available on the ASX website (www.asx.com.au) and also, under the heading "Investors: Press Releases" at the following link on our website (https://ir.avitamedical.com/press-releases). We maintain a website at www.avitamedical.com. Since becoming a domestic U.S. issuer on July 1, 2020, our filings with the SEC, including without limitation, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, are available free of charge on our website under the heading "Investors: Financials _SEC Filings" at the following link on our website (https://ir.avitamedical.com/financials/sec-filings), as soon as reasonably practicable after we file or furnish them electronically with the SEC. Information contained on our website is not part of or incorporated into this report.

ORGANIZATIONAL STRUCTURE

The Company has a total of six subsidiaries and their corporate details and business activities are listed below:

Subsidiary Name	Place of Incorporation	% Held	Business Purpose
AVITA Medical Pty Limited	Australia	100	Operating Company
AVITA Medical Americas, LLC	Delaware	100	U.S. operations
AVITA Medical Europe Limited	United Kingdom	100	EMEA operations
Visiomed Group Pty Ltd	Australia	100	Asia Pacific Operations
C3 Operations Pty Ltd	Australia	100	Holding company

Subsidiary Name	Place of Incorporation	% Held	Business Purpose
Infamed Pty Ltd	Australia	100	Inactive

Item 1A. RISK FACTORS

Our business faces significant risks. You should carefully consider all of the information set forth in this annual report, including the following risk factors. Our business, results of operations, and financial condition could be materially and adversely affected by any of these risks, and in such event, the trading price of our common stock would likely decline, and you might lose all or part of your investment. This Annual Report also contains forward-looking statements that involve risks and uncertainties, and our results could materially differ from those anticipated in these forward-looking statements. See "*Forward-Looking Statements*" included elsewhere within this Annual Report for a discussion of certain risks, uncertainties and assumptions associated with these statements.

Risks Related to Our Business Operations

We have experienced significant losses, expect losses to continue for the foreseeable future and may never achieve or maintain profitability.

Although we have begun full scale marketing and sales of our RECELL® System in the United States and other jurisdictions, such sales have been limited to date and we have not yet obtained profitability. We had a total net loss of $26.6 million, $42 million, and $25.1 million for our fiscal years ended June 30, 2021, 2020 and 2019, respectively. We have incurred a cumulative deficit of $221.5 million through June 30, 2021. We anticipate that we may continue to incur losses at least until U.S. sales of the RECELL System are adequate to fund operating expenses. We may not be able to successfully achieve or sustain profitability. Successful transition to profitable operations is dependent upon achieving a level of revenues adequate to support our cost structure, including in new markets for which we are not presently approved.

We are dependent on our contract with the U.S. Biomedical Advanced Research and Development Authority ("BARDA"), and if we do not continue to receive funding under this contract, we may need to obtain alternative sources of funding.

We have a contract with BARDA valued currently at $53.4 million related to funding for the development of the RECELL System and future use of the product to assist disaster preparedness and response in the United States for mass casualties involving burn victims. As of June 30, 2021, we had received cumulative payments of $30.9 million under the BARDA contract. Under the contract BARDA has agreed to fund and provide technical support for the development of the RECELL System including two randomized, controlled pivotal clinical trials, Compassionate Use and Continued Access programs, development of the health economic model demonstrating the cost savings associated with the RECELL System, and a randomized, controlled clinical trial in pediatric scald patients. Also included in the BARDA contract is a provision for the future procurement of the RECELL System by BARDA under a vendor-managed inventory system to bolster disaster preparedness which BARDA initiated procurement for in July 2020. As of June 30, 2021, a total of 5,614 RECELL system units have been delivered into the VMI and accepted by BARDA. Any reduction or delay in BARDA funding may force us to seek alternative funding, which may not be available on non-dilutive terms, terms favorable to us or at all, or cease our development programs related to the BARDA contract.

Provisions in our U.S. government contracts, including our contracts with BARDA, may affect our intellectual property rights.

Certain of our activities have been funded, and may in the future be funded, by the U.S. government, including through our contracts with BARDA. When new technologies are developed with U.S. government funding, the government obtains certain rights in any resulting patents, including the right to a nonexclusive license authorizing the government to use the invention and rights that may permit the government to disclose our confidential information to third parties and to exercise "march-in" rights. The government can exercise its march-in rights if it determines that action is necessary because we fail to achieve practical application of the U.S. government-funded technology, because action is necessary to alleviate health or safety needs, to meet requirements of federal regulations, or to give preference to U.S. industry. In addition, U.S. government-funded inventions must be reported to the government, U.S. government funding must be disclosed in any resulting patent applications, and our rights in such inventions may be subject to certain requirements to manufacture products in the United States.

Development and commercialization of our products require successful completion of the regulatory approval process and may suffer delays or fail. We may be unsuccessful in obtaining additional approvals for our RECELL System for the treatment of trauma injuries and skin conditions such as vitiligo

In the United States, as well as other jurisdictions, we have been and will be required to apply for and receive regulatory authorization before we can market our products. Although our RECELL System has been approved for use in the treatment of acute partial-thickness thermal burn wounds in patients 18 years of age and older or application in combination with meshed autografting for acute full-thickness thermal burn wounds in pediatric and adult patients in the United States, we will have to apply for a supplement to our PMA approval to market the product for use in the treatment of trauma injuries and vitiligo. We plan to expand into each of these indications and will need to apply for a supplement to our PMA approval with the FDA in connection with each proposed additional indication. While clinical trials for such uses are presently underway or planned, there can be no assurance that we will be successful in those clinical trials or ever receive approval by the FDA for the use of our RECELL System for such additional applications. Such a failure of approval would have a material negative effect on our future prospects. In Australia, the RECELL System is approved to use for the treatment of burns, acute wounds, scars and repigmentation (vitiligo). In the EU the product has been approved for the treatment of burns, chronic wounds, scars, and vitiligo. We will require additional clinical data or approvals from regulatory authorities within these countries to market the product for the treatment of other indications, and from any other jurisdictions in which we seek to market the product. This process can be time consuming and complicated and may be unsuccessful or otherwise result in unanticipated delays or fail altogether. To secure marketing authorization, an applicant generally is required to submit an application that includes the data supporting preclinical and clinical safety and effectiveness as well as detailed information on the manufacturing and control of the product, proposed labeling and other additional information. Before marketing authorization is granted, regulatory authorities may require the inspection of the manufacturing facility or facilities and quality systems (including those of third parties) at which the product candidate is manufactured and tested, as well as potential audits of the non-clinical and clinical trial sites that generated the data cited in the marketing authorization application.

We cannot predict whether any additional marketing authorizations will ultimately be granted or how long the applicable regulatory authority or agency will take to do so. Regulatory agencies, including the FDA, have substantial discretion in the approval process. In addition, the approval process and the requirements governing clinical trials vary from country to country. The policies of the FDA or other regulatory authorities may change, and additional government regulations may be enacted that could prevent, limit or delay the necessary approval of any products we may develop and commercialize. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or elsewhere. If we are slow or unable to adapt to new or changed requirements, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained, and we may not achieve or sustain profitability.

Additionally, any future regulatory approvals that we receive may also contain requirements for costly post-marketing testing and surveillance to monitor the safety and effectiveness of the product. Once a product is approved, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion, import, export, and recordkeeping for the product will be subject to extensive and ongoing regulatory requirements. These requirements include submission of safety and other post-marketing reports, registration, and continued compliance with good manufacturing practices for any clinical trials that we conduct post-approval.

Finally, per FDA regulations, changes made to products, specifications, or test data evaluation methodology would generally require communication with the FDA. There are several pathways for communicating with the FDA of such changes. As part of such review, the FDA may request additional information, at which time the product may become temporarily unavailable.

Obtaining and maintaining regulatory approval for a product candidate in one jurisdiction does not mean that we will be successful in obtaining regulatory approval for that product candidate in other jurisdictions.

Obtaining and maintaining regulatory approval for a product in one jurisdiction does not guarantee that we will be able to obtain or maintain similar approval in other jurisdictions, while a failure or delay in obtaining regulatory approval in one jurisdiction may have a negative effect on the regulatory approval process in others. For example, even if the FDA grants marketing approval for use of our RECELL System for the treatment of pediatric burns, trauma injuries and/or vitiligo, comparable regulatory authorities in foreign jurisdictions must also approve the manufacturing, marketing and promotion of the product candidate in those countries if not currently approved. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and greater than, those in the United States, including additional preclinical studies or clinical trials as clinical trials conducted in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions. In many jurisdictions outside the United States, a medical device must be approved for reimbursement before it can be approved for sale in that jurisdiction. In some cases, the price that we intend to charge for our products is also subject to approval.

We are highly dependent on our regulatory approval ("PMA") in the United States and failure to maintain that approval would materially impact our business and prospects.

Our business is highly dependent on the PMA we received in September 2018 from the FDA. This PMA allows us to sell our RECELL System in the United States, our current primary market. In addition, maintaining this PMA also increases the probability of

approval of secondary indications for the PMA outside of trauma burns. While we intend to take every action and precaution to ensure that our PMA remains effective, it is possible that the FDA could take a position in the future that requires a modification, temporary suspension or revocation of our PMA. Any such action by the FDA would have a material adverse effect on our business.

We may encounter substantial delays in any further clinical studies necessary to support any regulatory applications for additional commercial applications of our technology.

We cannot guarantee that any preclinical testing or clinical trials will be conducted as planned or completed on schedule, if at all. As a result, we may not achieve the expected clinical milestones necessary for approval by the FDA, or other regulators, for the use of our RECELL System for additional applications in the United States or other countries.

A failure in a clinical study or regulatory application can occur at any stage. Events that may prevent successful or timely commencement, enrollment or completion of clinical development or a regulatory application include:

- delays in raising, or inability to raise, sufficient capital to fund the planned trials;
- delays in reaching a consensus with regulatory agencies on trial design;
- changes in trial design;
- inability to identify, recruit and train suitable clinical investigators;
- inability to add new clinical trial sites;
- delays in reaching agreement on acceptable terms for the performance of the trials with prospective clinical research organizations and clinical trial sites;
- delays in recruiting suitable clinical sites and patients (i.e., subjects) to participate in clinical trials;
- imposition of a clinical hold by regulatory agencies for any reason, including negative clinical results, safety concerns or as a result of an inspection of manufacturing or clinical operations or trial sites;
- failure by any relevant parties to adhere to clinical trial requirements;
- failure to perform in accordance with the FDA's GCP, or applicable regulatory guidelines in other countries;
- delays in the testing, validation, manufacturing and delivery of the product candidates to the clinical sites;
- delays caused by clinical trial sites not completing a trial;
- failure to demonstrate adequate effectiveness;
- occurrence of serious adverse events in clinical trials that are associated with the product candidates that are viewed to outweigh its potential benefits;
- changes in regulatory requirements and guidance that require amending or submitting new clinical protocols;
- adverse events, safety issues, product recalls, manufacturing or supply chain interruptions, or poor clinical outcomes where the RECELL System is being used commercially; and
- disagreements with regulatory agencies in the interpretation of the data from our clinical trials.

Delays, including delays caused by the above factors, can be costly and could negatively affect our ability to complete clinical trials for our product candidates. If we are not able to successfully complete clinical trials or are not able to do so in a timely and cost-effective manner, we will not be able to obtain regulatory approval for the use of our RECELL System for additional applications, all of which could have a material adverse effect on our business, financial condition and results of operations.

We may be unsuccessful in commercializing our RECELL System, or other future products, due to unfavorable pricing regulations or third-party coverage and reimbursement policies.

We cannot guarantee that we will receive favorable pricing and reimbursement for use of our products. The rules and regulations that govern pricing and reimbursement for medical products vary widely from country to country or from indication to indication, and within the United States, can also vary widely from one health system or hospital to the next. In some foreign jurisdictions, including the EU, the government largely controls pricing of medical products. In other countries, coverage negotiations must occur at the regional or hospital level. Pricing negotiations can take considerable time after the receipt of marketing approval for a medical product.

As a result, even after obtaining regulatory approval for a product in a particular country, we may be subject to price regulations or limited reimbursement, which may delay or limit our commercial launch of the product and negatively impact the revenue we are able to generate from the sale of the product in that country. Adverse pricing limitations may hinder our ability to recoup our total investment in our RECELL System or other future products, even after obtaining regulatory approval.

If we are unable to promptly obtain coverage and profitable payment rates from hospital budget, government-funded and private purchasers for the RECELL System or any future products, this could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize products and our overall financial condition.

For example, we presently benefit from various reimbursement codes, including the following:

- Medicare reimburses hospitals for inpatient services using MS-DRGs (Medicare Severity Diagnosis-Related Groups).
- Specific ICD-10-PCS code series describing our "cell suspension technique" for the use of the RECELL System.
- Current Procedural Terminology ("**CPT**") for physicians to support reimbursement for physician rendered healthcare services.

There can be no guarantee that the above reimbursement codes will not be withdrawn, reduced, consolidated or otherwise be altered in a manner which is not supportive of ongoing commercial use of the RECELL System. In addition, we are also seeking a Transitional Pass-through Application ("**TPT**") to support additional Medicare payment in the outpatient and the ambulatory surgical setting, and there can be no guarantee that the TPT will be approved, or we will be available in an amount or manner that supports our commercialization efforts.

We have limited financial resources and will likely require additional financings to continue the development and commercialization of our RECELL System or any future products, which may cause dilution to our existing stockholders or place restrictions on our operations. If additional financing is not available, we may have to postpone, reduce or cease operations.

If we are unable to achieve profitability sufficient to permit us to fund our operations and other planned actions, we may be required to raise additional capital. There can be no assurance that such capital would be available on favorable terms, or at all. If we raise additional capital through the issuance of equity or convertible debt securities, the percentage ownership held by existing stockholders may be reduced, and the market price of our common stock or CDIs could fall due to an increased number of shares or CDIs available for sale in the market. Debt financing, if available, may involve restrictive covenants, which may limit our operating flexibility with respect to certain business matters. If we are unable to secure additional capital as circumstances require, we may not be able to fund our planned activities or continue our operations.

We have limited experience in manufacturing our products in large-scale commercial quantities and we may face manufacturing risks that may adversely affect our ability to manufacture products and could reduce our gross margins and negatively affect our business and operating results.

Our success depends, in part, on our ability to manufacture our current and future products in sufficient quantities and on a timely basis to meet demand, while adhering to product quality standards, complying with regulatory quality system requirements and managing manufacturing costs. We have a manufacturing facility located in Ventura, California where we produce, package and warehouse the RECELL System. We also rely on global third-party manufacturers, Baxter International Inc., Hospira (a division of Pfizer), Thermo Fisher Scientific, Lyophilization Services of New England and Becton Dickinson and Company, for production of some of the components used in the RECELL System. If our facility, or the facilities of our third-party contract manufacturers, suffer damage, or a force majeure event, this could materially impact our ability to operate.

We are also subject to other risks relating to our manufacturing capabilities, including:

- quality and reliability of components, sub-assemblies and materials that we source from third-party suppliers, who are required to meet our quality specifications, some of whom are our single-source suppliers for the products they supply;
- failure to secure raw materials, components and materials in a timely manner, in sufficient quantities or on commercially reasonable terms;
- inability to secure raw materials, components and materials of sufficient quality to meet the exacting needs of medical device manufacturing;
- failure to maintain compliance with quality system requirements or pass regulatory quality inspections;
- inability to increase production capacity or volumes to meet demand; and
- inability to design or modify production processes to enable us to produce future products efficiently or implement changes in current products in response to design or regulatory requirements.

These risks could be exacerbated by our limited experience as an entity with large-scale commercial manufacturing. As demand for our products increases, we will have to invest additional resources to purchase raw materials and components, sub-assemblies and materials, hire and train employees and enhance our manufacturing processes. If we fail to increase our production capacity efficiently to meet demand for our products, we may not be able to fill customer orders on a timely basis, our sales may not increase in line with our expectations and our operating margins could fluctuate or decline. It may not be possible for us to manufacture our products at a cost or in quantities sufficient to make these products commercially viable or to maintain current operating margins, all of which could have a material adverse effect on our business, financial condition and results of operations. In addition, we are continually identifying additional third-party manufacturers who could serve if necessary, as replacement manufacturers should the need arise.

We rely on third parties to conduct, supervise and monitor our clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our drug product candidates and our business could be substantially harmed.

We rely on clinical research organizations ("**CRO**"), and clinical trial sites to ensure our clinical trials are conducted properly and on time. While we will have agreements governing their activities, we will have limited influence over their actual performance. CROs manage and monitor the clinical trials, duties and functions, and we will control only certain aspects of our CROs' activities. Nevertheless, we will be responsible for ensuring that each of our clinical trials is conducted in accordance with the applicable protocol, legal, regulatory and scientific standards, and our reliance on the CROs does not relieve us of our regulatory responsibilities.

We and our CROs are required to comply with the FDA's GCPs for conducting, recording and reporting the results of clinical trials to assure that the data and reported results are credible and accurate and that the rights, integrity and confidentiality of clinical trial participants are protected. The FDA, and comparable foreign regulatory authorities, enforce these GCPs through periodic inspections of trial sponsors, principal investigators and clinical trial sites. If we or our CROs fail to comply with applicable GCPs, the clinical data generated in our future clinical trials may be deemed unreliable and the FDA or other foreign regulatory authorities may require us to perform additional clinical trials before approving any marketing applications.

If our CROs do not successfully carry out their contractual duties or obligations, fail to meet expected deadlines, or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols or regulatory requirements, or for any other reasons, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain regulatory approval for, or successfully commercialize, our product candidates. If any such event were to occur, our financial results and the commercial prospects for our product candidates would be harmed, our costs could increase, and our ability to generate revenues could be delayed. If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs or to do so on commercially reasonable terms. Further, switching or adding additional CROs involves additional costs and requires management time and focus. In addition, there is a natural transition period when a new CRO commences work. As a result, delays occur, which could materially impact our ability to meet our desired clinical development timelines. Though we carefully manage our relationships with our CROs, there can be no assurance that we will not encounter challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, financial condition and prospects.

As a result of COVID-19, other pandemics, or inadequate funding, the FDA and other government agencies may have resource constraints which could limit their ability to review and approve our applications in a timely manner, thus negatively impact our business.

The FDA's ability to review and approve regulatory submissions is impacted by staffing levels, funding levels and emergency priorities. The time to review submissions can vary from time to time. If a prolonged delay occurs in the review of any application from the Company, our business could be adversely impacted.

Product recalls or inventory losses caused by unforeseen events may adversely affect our operating results and financial condition.

Our products are manufactured, stored and distributed using technically complex processes requiring specialized facilities, highly specific raw materials and other production constraints. The complexity of these processes, as well as strict company and government standards for the manufacture, storage and distribution of our product candidates, subjects us to risks. In addition, process deviations or unanticipated effects of approved process changes may result in production runs of our RECELL System not complying with stability requirements or specifications. The occurrence or suspected occurrence of production and distribution difficulties can lead to lost inventories and in some cases product recalls, with consequential reputational damage and the risk of product liability. The investigation and remediation of any identified problems can cause production delays, substantial expense, lost sales and delays of new product launches. In the event our production efforts require a recall or result in an inventory loss, our operating results and financial condition may be adversely affected.

A cyber security incident could be disruptive to our business, compromise confidential data, cause reputation harm, and subject us to litigation and federal and state governmental inquiries.

We collect and store sensitive business and other information, including intellectual property and trade secrets, on our networks. Our business operations are dependent upon the secure maintenance of this information. Despite our efforts to secure this information, there can be no assurance that cyberattacks and other threats from malicious persons and groups will not cause harm to or

disrupt our business and operations. As a result, cyber security and the continued development and enhancement of our controls, processes and practices designed to protect our information systems from attack, damage or unauthorized access remain a priority for us. We may be required to expend significant additional resources to protect against cyber threats. A cyber attack may result in a material adverse effect on our financial position and results of operations and harm our business reputation.

We rely on information technology systems for critical business functions and the operations of our business.

We rely upon complex, integrated information technology (IT) systems in our business functions including our quality systems to operate our business. If any of our IT systems were to be disrupted or fail, our business could suffer irreparable harm, financial loss, and our operations would be adversely impacted.

The burn industry is subject to seasonal sales patterns and other variations which impact our revenue and operating cash flows.

In the past, the burn industry has been characterized by a high degree of seasonality. Typically, relatively high levels of burn incidences have been realized in the summer months and low levels of burn incidences have been realized in the early winter months. As a result, a significantly higher percentage of our annual revenues have historically been recognized in the third quarter and the lowest percentage of annual revenues in the first quarter of a given calendar year. The seasonality of burn related cases, exacerbated by COVID-19 influences, impact our revenues, thus making it difficult accurately predict future revenues and may prevent us from achieving our quarterly or annual forecasts or meeting or exceeding the expectations of research analysts or investors, which in turn may cause our stock price to decline.

The markets in which we operate are highly competitive and innovative. Our competitors may develop products that render our products less attractive or obsolete and our business may deteriorate.

The markets for our products are highly competitive and our competitors may develop products that may more effectively compete with our products, thus negatively impacting our sales, financial conditions and business prospects. Our competitors may have significantly more financial and other resources to invest in product development. We must continue to develop and market new products, or we risk our products becoming obsolete, in which case, our revenues may decline, and our business prospects may suffer.

Product development is an expensive, uncertain and lengthy process.

We have significant product development projects ongoing that, if successful, are intended to improve the ease and use of our device in our current burn indication as well as planned future indications in soft tissue reconstruction, vitiligo and otherwise. The costs, timeline and ultimate success of these product development programs are subject to risk and uncertainty. If the Company is not able to develop and obtain regulatory approval for these products in development in a timely fashion and within budget, our business prospects and financial condition may suffer.

Compliance with environmental, health and safety requirements is costly and, if not achieved, could result in material financial fines and penalties, expensive lawsuits, cessation of business operations, and a material adverse impact on the business.

Our manufacturing and other processes may involve the use of hazardous materials subject to federal, state, and local and foreign environmental requirements. Under some environmental laws and regulations, we could be held responsible for costs at third-party sites that we have used for waste disposal, or for contamination at our past or present facilities. Failure to comply with current environment laws, or future laws, could result in significant fines, penalties and expenses which could have an adverse impact on our financial condition.

Our future targeted indications would require us to obtain a Biologics License Application ("BLA") for cell and gene therapy approval by the FDA (as opposed to PMA approval for a device). BLA's are subject to greater FDA scrutiny, as well as significantly more time and expense than a PMA. If we are unable to obtain FDA approval for future BLAs, our future financial condition, prospects and results would be adversely impacted.

The FDA requires a BLA for future cell and other biologic therapy candidates. The BLA is a request for permission to deliver or introduce a biologic product into interstate commerce in the U.S. The FDA undertakes a detailed and rigorous review of BLA candidates including pre-approval inspections of manufacturing facilities as well as pre and post approval clinical trials. If these commitments are not met, the FDA can withdraw the product from the market.

We may be subject to civil and criminal penalties if the FDA determines that we have marketed or promoted our products for off-label usage.

We are prohibited from promoting our products for uses that are inconsistent with the uses that have been approved by the FDA - also known as “off-label” uses. More specifically, we may not make claims, in our promotion materials, website or otherwise, about the use of any RECELL products which are outside of their approved labeling and indications. If the FDA determines that our marketing activities constitute off-label promotion, the FDA could impose fines and penalties on the Company and our executives, withdraw or recall our approved product from the market, as well as limit our product from off-label usage.

Risks Relating to our Industry and Intellectual Property

We face competition from the existing standard of care and any future potential changes in medical practice and technology and the possibility that our competitors may develop products, treatments or procedures that are similar, more advanced, safer or more effective than ours.

The medical device, biotechnology and pharmaceutical industries, specifically relating to the areas where we currently or intend to market our RECELL System, are intensely competitive and subject to significant changes due to technology and medical practice standards. We may face competition from any number of different sources with respect to any products we develop and commercialize.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products, treatments or procedures that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than our RECELL System or any future products we develop. Many of our current or future competitors may have significantly greater financial resources and experience and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we may have. Mergers and acquisitions in the pharmaceutical, medical device, and biotechnology industries or wound care markets may result in increased concentration of resources among a smaller number of our competitors. Other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These companies compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

We could be subject to product liability lawsuits, which could result in costly and time-consuming litigation and significant liabilities.

The development of medical device products, such as our RECELL System, involves an inherent risk of product liability claims and associated financial liability and adverse publicity. Any products we may develop could be found to be harmful or to contain harmful substances and expose us to substantial liability and risk of litigation or may force us to discontinue production. We may be unable to obtain or maintain insurance on reasonable terms or otherwise protect ourselves against potential product liability claims that could impede or prevent further business development of any products we may create and commercialize. Furthermore, a product liability claim could damage our reputation, whether or not such claims are covered by insurance or have merit. A product liability claim against us or the withdrawal of a product from the market could have a material adverse effect on our business or financial condition. Furthermore, product liability lawsuits, regardless of their success, would likely be time consuming and expensive to resolve and would divert management’s time and attention, which could seriously harm our business.

If we are unable to effectively protect our intellectual property, we may not be able to operate our business and third parties may be able to use and profit from our technology, both of which would impair our ability to be competitive

Our success will be heavily dependent on our ability to obtain and maintain meaningful patent protection for our technologies and products throughout the world. Patent law relating to the scope of claims in the technology fields in which we will operate is still evolving. The amount of ongoing protection for our proprietary rights therefore is uncertain. We will rely on patents to protect a significant part of our intellectual property and to enhance our competitive position. However, our presently pending or future patent applications may be denied, and any patent previously issued to us or our subsidiaries may be challenged, invalidated, held unenforceable or circumvented. In particular, we filed a patent Term Extension application with the U.S. Patent and Trademark Office requesting an extension of our commercial patent that covers the RECELL System, U.S. Patent No. 9,029,140. If the term extension is approved, the patent term will be extended to April 9, 2024. Without such approval, our RECELL System patent will expire in 2022 which could prevent us from defending our patent in the event a competitor infringes on our RECELL System by producing the same type of product. Furthermore, the patent protections we have been granted may not be broad enough to prevent competitors from producing products similar to ours. In addition, the laws of various foreign countries in which we may compete, such as China, may not protect our intellectual property to the same extent as do the laws of the United States. If we fail to obtain adequate patent protection for our proprietary technology, our ability to be commercially competitive will be materially impaired.

In the ordinary course of business and as appropriate, we intend to apply for additional patents covering both our technologies and products, as we deem appropriate. Our existing patents and any future patents we obtain may not be sufficiently broad to prevent others from practicing our technologies or developing competing products and technologies. In addition, because patent law is evolving in the life science industry, the patent positions of companies like ours are uncertain. As a result, the validity and enforceability of our patents cannot be predicted with certainty.

We may find it difficult to protect our intellectual property rights throughout the world.

Filing, prosecuting and defending patents on all of our technologies and products in every jurisdiction is expensive. Competitors could reverse engineer our technologies in jurisdictions where we have not obtained patent protection to develop their own products. These products may compete with our products and may not be covered by any patent claims or other intellectual property rights.

The laws of some countries do not protect intellectual property rights to the same extent as the laws of the United States and many companies have encountered significant problems in protecting and defending such rights in foreign jurisdictions. This lack of protection, particularly in relation to biotechnology, could make it difficult for us to stop the infringement of our patents. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial cost and divert the efforts and attention of key personnel from other aspects of our business.

We may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights and we may be unable to protect our rights to, or use of, our technology.

If we choose to go to court to stop someone else from using the inventions claimed in our patents or our licensed patents, that individual or company has the right to ask the court to rule that these patents are invalid and/or should not be enforced against that third party. These lawsuits are expensive and would distract our key personnel and consume time and other resources, even if we were successful in stopping the infringement of these patents. In addition, there is a risk that a court will decide that these patents are invalid or unenforceable and that we do not have the right to stop the other party from using the inventions or, even if the validity or enforceability of these patents is upheld, the court may refuse to stop the other party because the competitors' activities do not infringe our rights.

If third parties make claims of intellectual property infringement against us, or otherwise seek to establish their intellectual property rights equal or superior to ours, we may have to spend time and money in response and potentially discontinue certain of our operations.

While we currently do not believe it to be the case, third parties may claim that we are employing their proprietary technology without authorization or that we are infringing on their patents. If such claims were made, we could incur substantial costs coupled with diversion of our management and key technical personnel in defending against these claims. Furthermore, parties making claims against us may be able to obtain injunctive or other equitable relief which could effectively halt our ability to further develop, commercialize and sell products. In the event of a successful claim of infringement, courts may order us to pay damages and obtain one or more licenses from third parties. We may not be able to obtain these licenses at a reasonable cost, if at all. Defense of any lawsuit or failure to obtain any of these licenses could prevent us from commercializing available products and have a material negative effect on our business.

Any suits filed against us by third parties alleging we infringe their intellectual property rights could harm our business and operating results as well as our reputation.

There is considerable patent and other intellectual property activity in the industry in which we operate. We may be unaware of intellectual property rights of others that may cover some or all of our technology. Additionally, notwithstanding our receipt of a patent, a third-party may nevertheless challenge the validity of one or more claims included in the patent, which may require significant expenditure of funds, as well as time and effort by key personnel, to defend our claims.

Our current and future relationships with investigators, health care professionals, consultants, third-party payors, and customers will be subject to applicable healthcare regulatory laws, which could expose us to penalties.

Our business operations and current and future arrangements with investigators, healthcare professionals, consultants, third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations. These laws regulate the business or financial arrangements and relationships through which we conduct our operations, including how we research, market, sell and distribute our products for which we obtain marketing approval. Such laws include:

- the federal Anti-Kickback Statute prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, lease, order or recommendation of, any good, facility, item or service, for which payment may be made, in whole or in part, under a federal healthcare program such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it to have committed a violation; in addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act;
- the federal false claims laws including the civil False Claims Act, which can be enforced through civil whistleblower or qui tam actions, and civil monetary penalties laws, which impose criminal and civil penalties against individuals or entities for knowingly presenting, or causing to be presented to the federal government, claims for payment that are false or fraudulent, knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim, or knowingly making, or causing to be made, a false statement to avoid, decrease or conceal an obligation to pay money to the federal government; in addition, the government may assert that a claim including items and services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act;
- HIPAA imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or making false or fraudulent statements relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations, also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information on health plans, health care clearing houses, and certain health care providers, known as covered entities, and their business associates, defined as independent contractors or agents of covered entities that create, receive or obtain protected health information in connection with providing a service for or on behalf of a covered entity as well as their covered subcontractors;
- a number of federal, state and foreign laws, regulations, guidance and standards that impose requirements regarding the protection of health data that are applicable to or affect our operations;
- the federal transparency requirements, sometimes referred to as the “Sunshine Act,” under the Patient Protection and Affordable Care Act, which requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children’s Health Insurance Program (with certain exceptions) to report annually to the government information related to payments or other "transfers of value" made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, and requires applicable manufacturers and group purchasing organizations to report annually to the government ownership and investment interests held by the physicians described above and their immediate family members. Beginning in 2022, applicable manufacturers also will be required to report such information regarding their relationships with physician assistants, nurse practitioners, clinical nurse specialists, certified registered nurse anesthetists and certified nurse midwives during the previous year; and
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, may apply to our business practices, including but not limited to, research, distribution, sales, and marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; and state laws that require medical device companies to comply with the industry’s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government; state laws that require medical device manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers, marketing expenditures or drug pricing, as well as state and local laws that require the registration of sales representatives; and state and foreign laws governing the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Defending against any such actions can be costly, time-consuming and may require significant financial and personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired.

Healthcare legislative reform measures may have a material adverse effect on our business and results of operations.

In the United States, there have been and continue to be a number of legislative initiatives to contain healthcare costs. For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or the Health Care Reform Law, was passed, which substantially changed the way health care is financed by both governmental and private insurers, and significantly impacts the U.S. healthcare industry. The Health Care Reform Law, among other things, (i) subjects biologic products to potential competition by lower-cost biosimilars, (ii) addresses a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted, or injected, (iii) increases the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extends the rebate program to individuals enrolled in Medicaid managed care organizations, (iv) establishes annual fees and taxes on manufacturers of certain branded prescription drugs, and (v) promotes a new Medicare Part D coverage gap discount program.

In addition, other legislative changes have been proposed and adopted in the United States since the Health Care Reform Law was enacted. On August 2, 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers up to 2% per fiscal year. On January 2, 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, or the ATRA, which, among other things, delayed for another two months the budget cuts mandated by these sequestration provisions of the Budget Control Act of 2011. On March 1, 2013, the President signed an executive order implementing sequestration, and on April 1, 2013, the 2% Medicare payment reductions went into effect. Additional state and federal healthcare reform measures may be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our product candidates or additional pricing pressures.

Macroeconomic and Social Risks

Our business, results of operations and financial condition may be adversely impacted by the COVID-19 pandemic.

The COVID-19 pandemic has negatively affected the U.S. and global economies, disrupted global supply chains, resulted in significant travel and transport restrictions, and created significant disruption of the financial markets. We are closely monitoring the impact of the COVID-19 pandemic on all aspects of our business, including how it is impacting our employees, product development, customers and supply chain. We are unable to predict the ultimate impact that the COVID-19 pandemic may have on our business, future results of operations, financial position or cash flows. The extent to which our operations may be impacted by the COVID-19 pandemic and recovery will depend largely on future developments, which are highly uncertain and cannot be accurately predicted. We may experience additional operating costs due to increased challenges with our workforce (including as a result of illness, absenteeism or government orders), access to supplies, capital, and fundamental support services (such as shipping and transportation). Even after the COVID-19 pandemic has subsided, we may experience materially adverse impacts to our business due to any resulting supply chain disruptions, economic recession or depression. Furthermore, the impacts of potential worsening of global economic conditions, inflation resulting from government interventions and stimulus, and continued disruptions to and volatility in the financial markets remain unknown.

The impact of the COVID-19 pandemic may also exacerbate other risks discussed in this section, any of which could have a material adverse effect on us. This situation is changing rapidly, and additional impacts may arise that we are not aware of currently.

Adverse changes in general economic conditions or uncertainty about future economic conditions, including economic uncertainty from the current pandemic, could adversely affect us.

We are subject to the risks arising from adverse changes in general economic market conditions, including the negative impact to the U.S. and global economy from the COVID-19 pandemic. Uncertainty about future economic conditions could negatively affect our current and prospective customers causing them to delay the purchase of our products. Poor economic conditions could harm our business, financial condition, operating results and cash flows.

The COVID-19 pandemic may significantly disrupt our workforce and internal operations.

The COVID-19 pandemic may significantly disrupt our workforce if a significant percentage of our employees are unable to work due to illness, quarantines, government actions, facility closures in response to the pandemic, fear of acquiring COVID-19 while performing essential business functions, or as a result of changes to unemployment insurance where unemployed workers can receive, in the short-term, benefits in excess of what would be offered for working for us. As part of our response to the pandemic, during the course of fiscal year 2021, we instituted remote work schedule for employees at the Valencia location, mandatory masks and gloves and social distancing for employees at the Ventura location and no outside visitors were allowed unless due to a scheduled or unscheduled audit or regulatory inspection, in which case such third parties were required to wear masks and gloves and maintain social distancing. While we believe these changes have adequately addressed our business needs, we cannot guarantee that we will be able to continue to adequately staff our operations when needed. We cannot predict the extent to which the COVID-19 pandemic may disrupt our workforce and internal operations.

We have taken certain precautions due to the COVID-19 pandemic that could negatively impact our business.

In response to the COVID-19 pandemic, we have taken measures intended to protect the health and well-being of our employees, customers, and communities, which could negatively impact our business. These measures include temporarily requiring all non-essential employees (personnel whose roles allow) to work remotely, restricting work-related travel except for direct onsite service to our customers, restricting non-essential visitors from entering our sites, increasing the frequency and extent of cleaning and disinfecting facilities, workstations, and equipment and developing social distancing plans. The health of our workforce, customers and communities is of primary concern and we may take further actions as may be required by government authorities or as we determine are in the best interests of our employees, customers and others. In addition, our management team has, and will likely continue to, spend significant time, attention and resources monitoring the COVID-19 pandemic and seeking to manage its effects on our business and workforce. The extent to which the pandemic and our precautionary measures may impact our business will depend on future developments, which are highly uncertain and cannot be predicted at this time.

Risks Relating to Our Common Stock and CDIs

We have never paid a dividend on our common stock and CDIs and do not intend to do so in the foreseeable future, and consequently, investors' only opportunity to realize a return on their investment in the Company is through the appreciation in the price of our common stock and CDIs.

We do not anticipate paying cash dividends on our common stock and CDIs in the foreseeable future and intend to retain all earnings, if any, for our operations. If we decided to pay dividends at some future time, we may not have sufficient funds legally available to do so. Even if funds are legally available for distribution, we may be unable to pay any dividends to our stockholders because of limitations imposed by a lack of liquidity. Accordingly, our stockholders may have to sell some or all of their common stock or CDIs (as applicable) in order to generate cash flow from their investment. Our stockholders may not receive a gain on their investment when they sell their common stock or CDIs and may lose some or all of their investment. Any determination to pay dividends in the future on our common stock and CDIs will be made at the discretion of our board of directors and will depend on our results of operations, financial conditions, contractual restrictions, restrictions imposed by applicable law, capital requirements, and other factors that our board of directors deems relevant.

As long as we remain subject to the rules of the ASX and of NASDAQ, we will be unable to access equity capital without shareholder approval if such equity capital sales would result in an equity issuance above regulatory thresholds and consequently, we may be unable to obtain financing sufficient to sustain our business if we are unsuccessful in soliciting requisite shareholder approvals.

Our ability to access equity capital is currently limited by ASX Listing Rule 7.1, which provides that a company must not, subject to specified exceptions, issue or agree to issue during any consecutive 12-month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities in aggregate would exceed 15% of the number of ordinary securities on issue at the commencement of that 12-month period unless shareholder approval is obtained.
Our equity issuances will be limited by ASX Listing Rule 7.1 so long as we continue to be listed on the ASX and this constraint may prevent us from raising the full amount of equity capital needed for operations without prior shareholder approval.

In addition to ASX Listing Rule 7.1, we are also subject to NASDAQ Listing Rule 5635(d), commonly referred to as the NASDAQ 20% Rule, which requires shareholder approval of a transaction other than a public offering involving the sale, issuance, or potential issuance by a company of common stock (or securities convertible into or exercisable for common stock) equal to 20% or more of the common stock, or 20% or more of the voting power outstanding before the issuance for less than the greater of book or market value of the shares. While less restrictive than ASX Listing Rule 7.1, the operation of the NASDAQ 20% rule could limit our

ability to raise capital through issuance of common stock or convertible securities without jeopardizing our listing status. If we were to violate the NASDAQ 20% rule, the Company would be subject to delisting from NASDAQ and share prices and trading volumes would likely suffer.

There has been relatively limited trading volume in the markets for our common stock and CDIs, and more active, liquid trading markets for such securities may never develop.

Trading in our common stock on NASDAQ and our CDIs on the ASX is often thin and susceptible to wide fluctuations in trading prices due to such limited trading volume and other factors, some of which may have little to do with our operations or business prospects. Limited liquidity in the trading markets for our common stock and CDIs may adversely affect a stockholder's ability to sell its shares of our common stock or our CDIs at the time it wishes to sell them or at a price that it considers acceptable. In addition, if a more active, liquid public trading market does not develop we may be limited in our ability to raise capital by selling shares of common stock or CDIs. We cannot assure you that more active, liquid public trading markets for our common stock and CDIs will develop or, if developed, will be sustained.

The market price and trading volume of our common stock and CDIs may be volatile and may be affected by variability in our performance from period to period and economic conditions beyond management's control.

The market price of our common stock (including common stock represented by CDIs) may be highly volatile and could be subject to wide fluctuations. This means that our stockholders could experience a decrease in the value of their common stock or CDIs regardless of our operating performance or prospects. The market prices of securities of companies operating in the medical device and biotech sectors have often experienced fluctuations that have been unrelated or disproportionate to the operating results of these companies. In addition, the trading volume of our common stock and CDIs may fluctuate and cause significant price variations to occur. If the market price of our common stock or CDIs declines significantly, our stockholders may be unable to resell our common stock or CDIs at or above their purchase price, if at all. There can be no assurance that the market price of our common stock and CDIs will not fluctuate or significantly decline in the future.

Some specific factors that could negatively affect the price of our common stock and CDIs or result in fluctuations in their price and trading volume include:

- actual or expected fluctuations in our operating results;
- actual or expected changes in our growth rates or our competitors' growth rates;
- results of clinical trials of our product candidates;
- results of clinical trials of our competitors' products;
- regulatory actions with respect to our products or our competitors' products;
- reports of one or more patient serious adverse events;
- publication of research reports by securities analysts about us or our competitors in the industry;
- our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;
- fluctuations of exchange rates between the U.S. dollar and the Australian dollar;
- issuances by us of debt or equity securities;
- litigation involving our company, including shareholder litigation;
- investigations or audits by regulators into the operations of our company;
- proceedings initiated by our competitors or clients;
- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- sales or perceived potential sales of the common stock or CDIs by us, our directors, senior management or our stockholders in the future;
- short selling or other market manipulation activities;
- announcement or expectation of additional financing efforts;
- terrorist acts, acts of war or periods of widespread civil unrest;
- economic and social effects of the COVID-19 virus or other pandemics;
- natural disasters and other calamities;
- changes in market conditions for biopharmaceutical stocks;
- our inability to raise additional capital, limiting our ability to continue as a going concern;
- changes in market prices for our product or for our raw materials;
- changes in market valuations of similar companies;
- changes in key personnel for us or our competitors;
- speculation in the press or investment community;
- changes or proposed changes in laws and regulations affecting our industry; and

- conditions in the financial markets in general or changes in general economic conditions.

The requirements of being a public company in the United States may strain our resources and divert management's attention.

As a public company, we are subject to the reporting requirements of the Exchange Act, the U.S. Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**") the Dodd-Frank Act and the listing standards and the rules and regulations of NASDAQ. We are also subject to the reporting requirements under the ASX Listing Rules due to the listing of our CDIs on ASX. We expect that the requirements of these rules and regulations will increase our legal, accounting and financial compliance costs, make some activities more difficult, time consuming and costly, and place significant strain on our personnel, systems and resources. As a result of our disclosure of information in filings required of a public company, our business and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors, stockholders or third parties. If such claims are successful, our business and operating results could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business and operating results.

We are an emerging growth company, and the reduced disclosure requirements applicable to emerging growth companies may make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 ("**JOBS Act**"). For as long as we continue to be an emerging growth company, we may take advantage of certain exemptions and relief from various U.S. reporting requirements that are applicable to other public companies that are not emerging growth companies, including (i) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, (ii) having the option of delaying the adoption of certain new or revised financial accounting standards, (iii) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and (iv) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We have taken, and in the future may take, advantage of these exemptions until such time that we are no longer an emerging growth company. Accordingly, the information contained herein and in other reports we file with the SEC may be different than the information our investors receive from other public companies in which they hold stock. Further, we have elected to take advantage of the extended transition period for complying with new or revised accounting standards until those standards would otherwise apply to private companies. As a result, our operating results and financial statements may not be comparable to the operating results and financial statements of other companies who have adopted the new or revised accounting standards. It is possible that some investors will find our common stock and CDIs less attractive as a result, which may result in a less active trading market for our common stock and CDIs and higher volatility in our stock and CDI price.

We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year following the fifth anniversary of the date of the first sale of our common stock pursuant to an effective registration statement under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), (ii) the last day of the fiscal year in which we have total annual gross revenue of at least $1.07 billion, (iii) the last day of the fiscal year in which we are deemed to be a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, or (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period.

If research analysts publish unfavorable commentary or downgrade our common stock or CDIs it could adversely affect our share price and trading volume.

The trading market for our common stock and CDIs depends, in part, on the research and reports that research analysts publish about us and our business and industry. If one or more research analysts downgrade our shares or CDIs, publish unfavorable commentary about the Company or cease publishing reports about us or our business, the price of our common stock and CDIs could decline. If one or more of the research analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our common stock and CDIs could decrease, which could cause our share price or trading volume to decline.

General Risk Factors

If we fail to manage our growth effectively, our business could be disrupted.

Our future financial performance and ability to successfully commercialize our products, which is not guaranteed, and to compete in the market will depend, in part, on our ability to manage any future growth effectively. We expect to make significant investments to facilitate our future growth through, among other things:

- new product development;
- clinical development of our RECELL System to such areas trauma injuries and vitiligo;

- clinical trials for additional indications; and
- funding of our marketing and sales infrastructure.

Any failure to manage future growth effectively could have a material adverse effect on our business and results of operations.

Our growth and success depend on our ability to attract and retain additional highly qualified and skilled sales and marketing, research and development, operational, managerial and finance personnel.

Competition for skilled personnel is intense and the unexpected loss of an employee with a particular skill could have a material adverse effect on our operations until a replacement can be found and trained. If we cannot attract and retain skilled scientific and operational personnel for our research and development and manufacturing operations on acceptable terms, we may not be able to develop and commercialize our products. Further, any failure to effectively integrate new personnel could prevent us from successfully growing our company.

Our operations are subject to anti-corruption laws, including Australian bribery laws, and the FCPA and other anti-corruption laws that apply in countries where we do business.

Anti-corruption laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these anti-corruption laws. In addition, we cannot predict the nature, scope, or effect of future regulatory requirements to which our international operations might be subject or the manner in which existing laws might be administered or interpreted.

There is no assurance that we will be completely effective in ensuring our compliance with all applicable anti-corruption laws or other laws including trade related laws. If we are not in compliance with these laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity.

Likewise, any investigation of any potential violations of these laws by respective government bodies could also have an adverse impact on our reputation, our business, results of operations and financial condition.

Item 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

Item 2. PROPERTIES

Our principal corporate office is located at 28159 Avenue Stanford, Suite 220, Valencia, California 91355. We lease the 17,500 square foot facility under on lease agreement that, as amended, expires on July 31, 2022. Our production plant in Ventura, California, is a 27,480 square foot facility that we lease through September 30, 2024 with the right to extend the lease, at our sole option, as a result of two, three-year, options that allow us to extend the lease up to an additional six years in total. We do not own any real property. We believe that leased facilities are adequate to meet current needs and that additional facilities will, if required, be available for lease to meet future needs.

Item 3. LEGAL PROCEEDINGS

We are not currently involved in any significant legal, arbitration or governmental proceedings. From time to time, as an operating business, we are involved in disputes (both formal and informal) with customer, manufacturing partners and employees.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

AVITA Medical, the former parent company of the AVITA Group, began as a laboratory spin-off in the Australian State of Western Australia. AVITA Medical was formed under the laws of the Commonwealth of Australia in December 1992 and has operated as AVITA Medical since 2008. AVITA Medical's ordinary shares originally began trading in Australia on the ASX on August 9, 1993. AVITA Medical's ADSs traded over the counter on the OTCQX under the ticker symbol "AVMXY" from May 14, 2012 through September 30, 2019 and its ADSs began trading on the NASDAQ on October 1, 2019, under the ticker symbol "RCEL".

Since completion of the Redomiciliation on June 29, 2020, the Company's common stock has been quoted on NASDAQ under the ticker symbol "RCEL" and the Company's CDIs have been quoted on the ASX under the ticker code "AVH". One share of common stock on NASDAQ is equivalent to five CDIs on the ASX.

Holders

As of July 31, 2021, the Company had approximately 26,473 unique stockholders of record of our common stock (which includes CHESS Depositary Nominees Pty Ltd, who holds all of the outstanding common stock underlying the CDIs of the Company).

Dividends

We have never paid cash dividends to our stockholders or, prior to the Redomiciliation, to the holders of ordinary shares in AVITA Medical. We intend to retain future earnings for use in our business and do not anticipate paying cash dividends on our common stock and CDIs in the foreseeable future. Any future dividend policy will be determined by our board of directors and will be based upon various factors, including our results of operations, financial condition, current and anticipated cash needs, future prospects, contractual restrictions and other factors as our board of directors may deem relevant.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

On March 1, 2021, the Company issued 3,214,250 shares of common stock at the offering price of $21.50 per share. The gross proceeds from the offering are approximately $69.1 million. The Company incurred $5.1 million in capital issuance expenses. The offering was made pursuant to a shelf registration statement on Form S-3 (File No. 333-249419) that was previously filed with the SEC on October 9, 2020 and declared effective on October 16, 2020 and that was also publicly released on the ASX (the "Registration Statement"). The final prospectus supplement relating to and describing the terms of the offering was filed with the SEC on February 25, 2021 (in the United States) and released on the ASX on March 1, 2021 (in Australia). There has been no material change in the planned use of proceeds from this offering as described in the Registration Statement. We invested the funds in short-term, interest-bearing investment-grade securities and government securities. As of June 30, 2021, we have not used any of the net proceeds from the offering. None of the offering proceeds were paid directly or indirectly to any of our directors or officers (or their associates) or persons owning 10.0% or more of any class of our equity securities or to any other affiliates.

During the year ended June 30, 2020, we completed an institutional placement to raise $81.7 million (through our former parent company, AVITA Medical). We sold the equivalent of 2,033,898 shares at an issue price of $40.17 per share for total net proceeds of $76.6 million, after deducting commission and offering expenses. In addition, an aggregate of the equivalent of 15,853 shares were issued to our directors in lieu of their director fees during the year ended June 30, 2020 under the Director Share Plan that was approved by shareholders in December 2017. Each transaction was exempt from the registration requirements of the Securities Act as a transaction not involving a public offering pursuant to Section 4(2) of the Securities Act.

Item 6. SELECTED FINANCIAL DATA

(In thousands, except share and per share data)	Year Ended June 30, 2021	2020	2019
Revenues	$ 29,232	$ 14,263	$ 5,474
Cost of sales	(5,949)	(2,973)	(1,271)
Gross profit	23,283	11,290	4,203
BARDA income	2,055	3,926	5,921
Operating expenses:			
Sales and marketing expenses [1]	(14,660)	(15,706)	(12,549)
General and administrative expenses [1]	(22,400)	(33,025)	(15,099)
Research and development expenses [1]	(14,818)	(9,164)	(8,004)
Total operating expenses	(51,878)	(57,895)	(35,652)
Operating loss	(26,540)	(42,679)	(25,528)
Interest expense	(22)	(33)	(27)
Other income	17	686	332
Loss before income taxes	(26,545)	(42,026)	(25,223)
Income tax benefit/(expense)	(38)	(4)	121
Net loss	$ (26,583)	$ (42,030)	$ (25,102)
Net loss per common share:			
Basic	$ (1.17)	$ (2.07)	$ (1.56)
Diluted	$ (1.17)	$ (2.07)	$ (1.56)
Weighted-average common shares:			
Basic	22,674,313	20,290,966	16,064,588
Diluted	22,674,313	20,290,966	16,064,588

(1) Refer to Note 2 for information about a reclassification of share-based compensation expense for the 2020 and 2019 comparative period.

	Year Ended June 30, 2021	2020
	(in thousands)	
Cash and cash equivalents	$ 110,746	$ 73,639
Total current assets	121,330	78,387
Total assets	125,501	82,462
Total current liabilities	7,390	7,709
Total long-term liabilities	2,456	2,352
Total Equity	115,655	72,401

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations for the years ended June 30, 2021 and 2020, should be read in conjunction with our consolidated financial statements and related notes included in this Annual Report.

Results of Operations

The table below summarizes the results of our continuing operations for each of the periods presented (in thousands).

	Year Ended June 30,		$	%
Statement of Operations Data:	**2021**	**2020**	**Change**	**Change**
Revenues	$ 29,232	$ 14,263	$ 14,969	105%
Cost of sales	(5,949)	(2,973)	(2,976)	100%
Gross profit	23,283	11,290	11,993	106%
BARDA income	2,055	3,926	(1,871)	(48)%
Operating Expenses:				
Sales and marketing expenses	(14,660)	(15,706)	1,046	(7)%
General and administrative expenses	(22,400)	(33,025)	10,625	(32)%
Research and development expenses	(14,818)	(9,164)	(5,654)	62%
Total operating expenses	(51,878)	(57,895)	6,017	(10)%
Operating loss	(26,540)	(42,679)	16,139	(38)%
Interest expense	(22)	(33)	11	(33)%
Other income	17	686	(669)	(98)%
Loss before income taxes	(26,545)	(42,026)	15,481	(37)%
Income tax benefit (expense)	(38)	(4)	(34)	850%
Net loss	$ (26,583)	$ (42,030)	$ 15,447	(37)%

Year Ended June 30, 2021, compared to Year Ended June 30, 2020

Total net revenue increased 105% to $29.2 million, compared to $14.3 million in the corresponding period in the prior year. RECELL® commercial revenues were $21.5 million, while RECELL revenues associated U.S. Department of Health and Human Services' Biomedical Advanced Research and Development Authority within the Office of the Assistant Secretary for Preparedness and Response ("BARDA") were $7.7 million. Revenues associated with BARDA were attributable to the purchase of RECELL units for emergency preparedness by BARDA. RECELL commercial revenues, increased 50% or $7.2 million.

Gross profit margin was 80% compared with 79% in the same period in the prior year, driven largely by lower shipping costs and increased production along with the extension of our shelf-life.

BARDA income consisted of funding from BARDA, under the Assistant Secretary for Preparedness and Response, within the U.S. Department of Health and Human Services, under ongoing USG Contract No. HHSO100201500028C. Under the BARDA contract, income of $2.1 million was recognized during the year ended June 30, 2021, compared to income of $3.9 million for the year ended June 30, 2020. BARDA income declined as a result of wind-down of certain activities associated with supporting the U.S. FDA approval of the RECEL System as well as the compassionate use, continued access programs and pivotal trials for the treatment of pediatric scald injuries.

Total operating expenses decreased 10% or $6 million to $51.9 million, compared with $57.9 million incurred in the same period in the prior year. Sales and marketing expenses decreased $1 million or 7% to $14.7 million, compared to $15.7 million recognized in the same period in the prior year. The decrease in sales and marketing expenses is primarily due to fewer conferences, lower travel expenses due to COVID-19 related travel restrictions and higher costs incurred in the prior year associated with the product launch. General and administrative expenses decreased 32% or $10.6 million to $22.4 million compared with $33 million recognized in the same period in the prior year. The decrease was driven by higher share-based compensation expenses in the prior year associated with certain performance milestones being met along with higher costs related to the Redomiciliation. Research and development expenses increased 61% or $5.6 million to $14.8 million, compared to $9.2 million recognized in the same period in the prior year. The increase was primarily attributed to ramping up of clinical trials related activities for treatment of vitiligo as well as other research and development costs associated with furthering the Company's pipeline.

Net loss after tax decreased 37% or $15.4 million to $26.6 million, over the $42 million recognized in the same period in the prior year. The decrease in net loss was driven by higher revenue during the year, and lower operating expenses described above.

The table below summarizes the results of our continuing operations for each of the periods presented (in thousands).

Statement of Operations Data:	Year Ended June 30, 2020	Year Ended June 30, 2019	$ Change	% Change
Revenues	$ 14,263	$ 5,474	$ 8,789	161%
Cost of sales	(2,973)	(1,271)	(1,702)	134%
Gross profit	11,290	4,203	7,087	169%
BARDA income	3,926	5,921	(1,995)	(34)%
Operating Expenses:				
Sales and marketing expenses	(15,706)	(12,549)	(3,157)	25%
General and administrative expenses	(33,025)	(15,099)	(17,926)	119%
Research and development expenses	(9,164)	(8,004)	(1,160)	14%
Total operating expenses	(57,895)	(35,652)	(22,243)	62%
Operating loss	(42,679)	(25,528)	(17,151)	67%
Interest expense	(33)	(27)	(6)	22%
Other income	686	332	354	107%
Loss before income taxes	(42,026)	(25,223)	(16,803)	67%
Income tax benefit (expense)	(4)	121	(125)	(103)%
Net loss	$ (42,030)	$ (25,102)	$ (16,928)	67%

Year Ended June 30, 2020, compared to Year Ended June 30, 2019

Total net revenue increased 161% to $14.3 million, compared to $5.5 million. Similar to prior years, most of the current year increase in sales occurred in the United States as a result of the September 2018 FDA approval and commencement of the U.S. national market launch of the RECELL System in January 2019. U.S. sales during the year ended June 30, 2020, totaled $13.8 million compared to $4.4 million in the prior year.

Gross profit margin was 79% compared to 77% for the same period in 2019 driven largely by increased production.

BARDA income consisted of funding from BARDA, under the Assistant Secretary for Preparedness and Response, within the U.S. Department of Health and Human Services, under ongoing USG Contract No. HHSO100201500028C. Under the BARDA contract, income of $3.9 million was recognized during the year ended June 30, 2020, compared to income of $5.9 million for the year ended June 30, 2019. BARDA income declined as a result of wind-down of certain activities associated with supporting the U.S. FDA approval of the RECEL System as well as the compassionate use and continued access programs.

Total operating expenses increased 62% or $22.2 million to $57.9 million, compared to $35.7 million incurred in the same period in the prior year. Sales and marketing expenses increased 25% or $3.2 million to $15.7 million, compared to $12.6 million recognized in the same period in the prior year. This increase was primarily attributed to commercialization activities being provided for the entire fiscal year ended June 30, 2020, versus the prior fiscal year where those activities were rendered for less than twelve months. General and administrative expenses increased 119% or $17.9 million to $33 million compared to $15.1 million recognized in the same period in the prior year. The increase was primarily a result of higher share-based compensation and higher costs related to the Redomiciliation together with additional headcount associated with the growth of the Company and the Company's status as a cross listed entity on NASDAQ and the ASX. Share-based compensation increased $14.6 million primarily due to the increase in the grant date fair value of awards granted during the year due to higher stock prices and accelerated expense due to meeting of certain performance milestones. Research and development expenses increased 14% or $1.2 million to $9.2 million compared to $8.0 million recognized during the same period in the prior year

Net loss after tax increased 67% or $16.9 million to $42 million compared to $25.1 million in the same period in the prior year. The increase in net loss was driven by the higher operating expenses described above, partially offset by the higher revenue during the year. As a result of the U.S. national launch of the RECELL System in January 2019, and the expansion of research and development including multiple pivotal clinical studies seeking premarket approval from the FDA, operating expenses are expected to increase in future periods. These expenses are expected to be partially offset by increased commercial sales of the RECELL System as well as income under the BARDA contract.

B. Liquidity and Capital Resources

We expect to utilize cash reserves until U.S. sales of our products reach a level sufficient to fund ongoing operations. The AVITA Group has historically funded its research and development activities, and more recently its substantial investment in sales and marketing activities, through raising capital by issuing securities, and it is expected that similar funding will be obtained to provide working capital if and when required. If the Company is unable to raise capital in the future, the Company may need to curtail expenditures by scaling back certain research and development or other programs.

On March 1, 2021, the Company issued 3,214,250 shares of common stock at the offering price of $21.50 per share. The gross proceeds from the offering are approximately $69.1 million. The Company incurred $5.1 million in capital issuance expenses. The offering was made pursuant to a shelf registration statement on Form S-3 (File No. 333-249419) that was previously filed with the SEC on October 9, 2020 and declared effective on October 16, 2020 and that was also publicly released on the ASX. The final prospectus supplement relating to and describing the terms of the offering was filed with the SEC on February 25, 2021 (in the United States) and released on the ASX on March 1, 2021 (in Australia).

During the year ended June 30, 2020, we raised additional capital via a private placement in the amount of $81.7 million (through our former parent company, AVITA Medical). We sold the equivalent of 2,033,898 shares at an issue price of $40.17 per share for total net proceeds of $76.6 million, after deducting commission and offering expenses.

During the year ended June 30, 2019, we completed a series of equity transactions (through our former parent company, AVITA Medical). The second tranche of the June 2018 Placement (defined below) closed on July 27, 2018, raising an aggregate of $2.4 million through the issuance of the equivalent of 650,000 shares in the Company at $3.70 per share. During December 2018, we completed a placement to raise $28.8 million over two tranches. We completed the first tranche on December 10, 2018 and issued the equivalent of 3,100,471 shares in the Company at a price of $5.76 per share raising gross proceeds of $17.9 million. The settlement of the second tranche for $10.9 million was approved by the shareholders at an extraordinary meeting held during January 2019. The second tranche closed on January 18, 2019 and raised gross proceeds of $10.9 million through the sale of the equivalent of 1,899,530 shares in the Company at the same price as the first tranche, being $5.76 per share. In addition, on January 10, 2019, we completed a Share Purchase Plan under which we effectively offered existing eligible shareholders the opportunity to purchase shares in the Company at a purchase price of $5.74 per share. As part of the Share Purchase Plan, we received gross proceeds of $1.3 million for the issuance of the equivalent of 220,612 shares in the Company.

The AVITA Group also benefits from cash inflows from the BARDA contract, awarded to the AVITA Group in September 2015 and subsequently expanded through a series of modifications. These payments from BARDA offset operating costs from various activities undertaken to support the FDA regulatory approval process for RECELL in the United States, preparation for the planned commercial launch of RECELL in the United States, and RECELL clinical programs in the United States. Further, there were no material expenditure commitments from the BARDA contract. With the U.S. FDA approval of RECELL for the treatment of burns in September 2018, and the U.S. market launch of the product in January 2019, sales of goods are expected to be an increasing source of revenue in the future. On July 13, 2020, the Company announced that BARDA will procure the RECELL System and agreed to the purchase, storage and delivery of RECELL Systems utilizing a vendor-managed inventory ("**VMI**") plan valued at $7.6 million. Further, BARDA has expanded the awarded contract to provide supplemental funding of $1.6 million to support emergency deployment of RECELL Systems for use in mass casualty or other emergency situations. Delivery of RECELL system under the VMI plan commenced in the third quarter of fiscal year 2021 and as of year-end a total of 5,614 RECELL system units have been delivered into the VMI and accepted by BARDA. As of June 30, 2021, we had received cumulative payments of $30.9 million under the BARDA contract. For the year ended June 30, 2021, we have recognized $7.6 million of revenue related to the sale of the RECELL system to BARDA and $154,000 related to services provided to BARDA for emergency preparedness.

Given the above, we believe there is presently sufficient working capital to support our committed research and development programs and other activities over the next twelve months and the Company believes it has the ability to realize its assets and pay its liabilities and commitments in the normal course of business.

The following table summarizes our cash flows for the periods presented:

(In Thousands)	Years Ended June 30, 2021	2020	2019
Net cash used in operations	$ (25,901)	$ (22,747)	$ (19,250)
Net cash used in investing activities	(1,174)	(847)	(1,227)
Net cash provided by financing activities	64,049	77,057	29,709
Effect of foreign exchange rate on cash and restricted cash	133	3	156
Net increase in cash and restricted cash	37,107	53,466	9,388
Cash and restricted cash at beginning of year	73,840	20,374	10,986
Cash and restricted cash at end of year	110,947	73,840	20,374

Years Ended June 30, 2021, and 2020

Net cash used in operating activities was $25.9 million and $22.7 million during the years ended June 30, 2021, and 2020, respectively. The increase was primarily due to higher BARDA receivables attributable from the purchase of RECELL units by BARDA.

Net cash used in investing activities was $1.2 million and $0.8 million during the years ended June 30, 2021, and 2020, respectively. Cash flows used for investing activities was primarily attributable to payments for the purchase of a property and equipment.

Net cash provided by financing activities was $64 million and $77.1 million for the years ended June 30, 2021, and 2020, respectively. The AVITA Group completed a series of financing transactions during the year ended June 30, 2021, and 2020 and received proceeds from the issuance of shares and exercise of options.

Capital management

We aim to manage capital so that the Company continues as a going concern while also maintaining optimal returns to stockholders and benefits for other stakeholders. We also aim to maintain a capital structure that ensures the lowest cost of capital available to the Company. We regularly review the Company's capital structure and seek to take advantage of available opportunities to improve outcomes for the Company and its stockholders.

For the year ended June 30, 2021, there were no dividends paid and we have no plans to commence the payment of dividends. We have no committed plans to issue further shares on the market but will continue to assess market conditions and the Company's cash flow requirements to ensure the Company is appropriately funded in order to pursue its various opportunities.

There is no significant external borrowing at the reporting date. Neither the Company nor any of the subsidiaries are subject to externally imposed capital requirement.

C. Research and Development, Patents and Licenses

In recent years, we have continued our practice of building valuable research collaborations with institutions based primarily in the United States and other regions to enable us to develop a point-of-care solution for the potential treatment of a wide range of skin injuries or defects which may be suitable for use with the RECELL System. These collaborative arrangements ensure that we work with well-respected key option leaders and laboratories without incurring significant ongoing administrative and personnel costs. All clinical, research and development of RECELL System, including clinical studies, is performed in compliance with the appropriate governing authorities, regulators, and standards. We maintain in-house general counsel and research and development project expertise to coordinate these research collaborations.

Our research and development expenses consist primarily of expenses for contracted research and development activities conducted by major contract research organizations on our behalf, including personnel, testing facilities and other payments in accordance with our research and clinical agreements. Research and development expenses were $14.8 million, and $9.2 million, during the years ended June 30, 2021, and 2020, respectively.

D. Trend Information

While our RECELL System has reached commercialization for specific applications in certain jurisdictions, the United States remains our primary point of commercial and clinical focus. In addition, we are currently seeking to expand the breadth of clinical indications for which the RECELL System is approved for use in the United States we have no plans to conduct clinical studies outside of the United States at this time. While we seek to advance the commercial opportunities for the RECELL System, it is not possible for us to predict with any degree of accuracy the outcome of our business in the future.

E. Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements (as defined in the rules and regulations of the SEC) that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material investors.

F. Contractual Obligations and Commitments

The Company does not have any contractual obligations or purchase commitments, except for lease obligations for the period ended June 30, 2021. For details of lease obligations refer to Note 4 in the consolidated financial statements.

G. Critical Accounting Policies and Estimates

The SEC defines "critical accounting policies" as those that require the application of management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods.

The preparation of consolidated financial statements in conformity with U.S. Generally Accepted Accounting Practices, or U.S. GAAP, requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We base those estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

The following listing is not intended to be a comprehensive list of all of our accounting policies. Our significant accounting policies are described in Note 2 to our consolidated financial statements contained elsewhere in this Annual Report. In many cases, the accounting treatment of a particular transaction is dictated by U.S. GAAP, with no need for our judgment in its application. There are also areas in which our judgment in selecting an available alternative would not produce a materially different result. We have identified the following as our critical accounting policies.

Revenue Recognition

The Company adopted ASC Topic 606 – Revenue from Contracts with Customers, on July 1, 2018. Under Topic 606, the Company recognizes revenue when its customers obtain control of promised goods or services, in an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods or services.

To determine revenue recognition for arrangements that are within the scope of Topic 606, the Company performs the following five steps:

1. Identify the contract with a customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognize revenue when/as performance obligation(s) are satisfied

In order for an arrangement to be considered a contract, it must be probable that the Company will collect the consideration to which it is entitled for goods or services to be transferred. Once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised with each contract, determines whether those are performance obligations and the related transaction price. The Company then recognizes the sale of goods based on the transaction price that is allocated to the respective performance obligation when the performance obligation is satisfied.

The Company's revenue consists primarily of the sale of the RECELL System to hospitals or other treatment centers and to BARDA (collectively, "customers"), predominately in the United States. The Company evaluated the BARDA contract and concluded that a portion of the arrangement, such as the procurement of the RECELL system and the emergency preparedness, represents a transaction with a customer and as such are in the scope of ASC 606. Amounts received from BARDA for the research and development of the Company's product are classified as BARDA income in the consolidated statement of operations and are accounted for under IAS 20. For further details refer to BARDA Income and Receivables below.

Revenues for commercial customers (hospitals and treatment centers) are recognized as control of the product is transferred to customers, at an amount that reflects the consideration expected to be received in exchange for the product. Revenues are recognized net of volume discounts. As such, revenue is recognized only to the extent a significant reversal of revenues is not expected to occur in subsequent periods. For the Company's contracts that have an original duration of one year or less, the Company used the practical expedient applicable to such contracts and does not consider the time value of money. Further, because of the short duration of these contracts, the Company has not disclosed the transaction price for the remaining performance obligations as of each reporting period or when the Company expects to recognize this revenue. The Company has further applied the practical expedient to exclude sales tax in the transaction price and expense contract fulfilment costs such as commissions and shipping and handling expenses as incurred.

For revenues related to the BARDA contract with-in the scope of ASC 606, the Company identified two performance obligations (i) the procurement of 5,614 RECELL units, (ii) emergency preparedness services. Through this contract the Company promises to procure the product through a vendor management inventory arrangement and to stand ready to provide emergency deployment services related to the product. Emergency preparedness services include procuring necessary storage containers, housing, and maintaining the containers (and product), and providing shipping and handling services in the event of an emergency situation. This stand ready obligation is a series of distinct services that are substantially the same and have the same pattern of transfer to the customer, overtime as services are consumed.

The total transaction price for the portion of the BARDA contract that is with-in the scope of ASC 606, was determined to be $9.2 million. The transaction price was allocated on a stand-alone selling price basis as follows: $7.6 million to the procurement of the RECELL product, which is classified as revenues when recognized in the consolidated statement of operations and $1.6 million to the emergency deployment services is be classified as revenues when recognized in the consolidated statement of operations. The $1.6 million for emergency deployment includes variable consideration which is deemed immaterial to the contract as a whole. The Company estimated the stand-alone selling price of the procurement of the RECELL product based on historical pricing of the Company's product at the initial execution of the contract. The Company estimated the stand-alone selling price of the emergency deployment services performed based on the Company's projected cost of providing the services plus an applicable profit margin as denoted in the contract.

The Company's performance obligations are either satisfied at a point in time or over time as services are provided. The product procurement performance obligation is satisfied at a point in time, upon transfer of control of the product. As such, the related revenue for these performance obligations is recognized at a point in time as revenue within the Company's consolidated statement of operations. In addition to guidance under ASC 606, the Company recognizes revenue from the sales of RECELL product to BARDA for placement into vaccine stockpiles in accordance with Securities and Exchange Commission (SEC) Interpretation, Commission Guidance regarding Accounting for Sale of Vaccines and BioTerror Countermeasures to the Federal Government for Placement into the Pediatric Vaccine Stockpile or the Strategic National Stockpile (SNS). Under this guidance, revenue is recognized when product is placed in the BARDA vendor-managed inventory as control of the product has been transferred to the customer at the time of delivery to the VMI. RECELL units that have been delivered to BARDA have a product replacement obligation at no cost to BARDA due to product's limited shelf-life. The estimated cost of the expired inventory over the term of the contract is accrued on a per unit basis at the time of delivery. The liability is released upon replacement of the product along with a corresponding reduction to inventory. The emergency preparedness services performance obligation is satisfied over time. Revenue for the emergency deployment will be recognized on a straight-line basis during the term of the contract as services are consumed over time. Services recognized are included in sales within the consolidated statement of operations. Contract costs to fulfil the performance obligation are incremental and expected to be recovered are capitalized and amortized on a straight-line basis over the term of the contract. Contract costs are included in other long-term assets, respectively.

Contract Liabilities

The Company receives payments from customers based on contractual terms. Trade receivables are recorded when the right to consideration becomes unconditional. The Company satisfies its performance obligation on product sales when the products are shipped or delivered, depending on the terms of the sale. Payment terms on invoiced amounts are typically 30-90 days, and do not

include a financing component. Contract liabilities are recorded when the Company receives payment prior to satisfying its obligation to transfer goods to a customer.

See Note 12 to our Consolidated Financial Statements included in this Annual Report for additional detail on revenue recognition.

Government Grants / BARDA Income and Receivables

The AVITA Group was granted a BARDA contract in September 2015, wherein BARDA provided funding to the AVITA Group to support the ongoing U.S. clinical regulatory program towards FDA premarket approval, Compassionate Use program, clinical and health economics research, and U.S. pediatric burn programs.

Income under the BARDA contract is earned under a cost-plus-fixed-fee arrangement in which the Company is reimbursed for direct costs incurred plus allowable indirect costs and a fixed-fee earned. Billings under the contracts are based on approved provisional indirect billing rates, which permit recovery of fringe benefits, general and administrative expenses and a fixed fee.

The Company has concluded that grants are not within the scope of ASC 606, as they do not meet the definition of a contract with a "customer". The Company has further concluded that Subtopic 958-605, Not-for-Profit-Entities-Revenue Recognition also does not apply, as the Company is a business entity, and the grants are with governmental agencies. Government grants and related receivables are recognized when there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, the fair value is credited to deferred income and is released to the profit or loss over the expected useful life of the relevant asset by equal annual installments.

Share-Based Compensation

The Company records compensation expense for share-based payments to employees, including grants of stock options, restricted stock units and performance-based awards based on the fair market value of the awards on the date of grant. The fair value of share-based compensation awards is amortized over the vesting period of the award. Compensation expense for performance-based awards is measured based on the number of shares ultimately expected to vest, estimated at each reporting date based on management's expectations regarding the relevant performance criteria.

The Company estimates the fair value of tenure-based share options using the Black-Scholes option pricing model on the date of grant. The Company estimates the fair value of options with a performance condition using the Monte-Carlo simulation model. Restricted stock units are valued based on the market price on the grant date.

The following assumptions were used in the valuation of stock options.

- Expected volatility – determined using the average of the historical volatility using daily intervals over the expected term and the derived volatility using the longest term available of 12 months.

- Expected dividends - based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

- Expected term – the expected term of the Company's stock options for tenure only vesting has been determined utilizing the "simplified" method as described in the SEC's Staff Accounting Bulletin No. 107 relating to stock-based compensation. The simplified method was chosen because the Company has limited historical option exercise experience due to its short operating history of awards granted, the first plan was established in 2016 and was primarily used for Executives awards. Further, the Company does not have sufficient history of exercises in the U.S. market given the recent redomiciliation to the United States in the prior fiscal year. The expected term of options with a performance condition was set to the contractual term of 10 years. The contractual term was used options with performance condition were awarded to C-Suite executives and the Company assumes that they will hold them longer than rank and file executives.

- Risk-free interest rate – the risk-free interest rate is based on the U.S. Treasury yield in effect at the time of grant for a period approximately equal to the expected term of the award.

See Note 13 to our Consolidated Financial Statements included in this Annual Report for additional detail on share-based compensation.

Income Taxes

Income taxes are accounted for using the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that a portion of the deferred tax asset will not be realized.

The Company reviews its uncertain tax positions regularly. An uncertain tax position represents the Company's expected treatment of a tax position taken in a filed return or planned to be taken in a future tax return or claim that has not been reflected in measuring income tax expense for financial reporting purposes. The Company recognizes the tax benefit from an uncertain tax position when it is more-likely-than-not that the position will be sustained upon examination on the basis of the technical merits or the statute of limitations for the relevant taxing authority to examine and challenge the tax position has expired.

See Note 14 to our Consolidated Financial Statements included in this Annual Report for additional detail on income taxes.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

During the year ended June 30, 2021, we invested cash in money market funds, which are classified as cash equivalents and carried at fair value in the accompanying consolidated balance sheet included in this Annual Report on Form 10-K. The fair value of our cash equivalents is subject to changes in market interest rates. Our earnings and cash flows are subject to fluctuations due to changes in interest rates, principally in connection with our cash and cash equivalents. We do not believe we are materially exposed to changes in interest rates related to our cash and cash equivalents, and we do not currently use interest rate derivative instruments or hedging transactions to manage exposure to interest rate changes. We estimate that a 100 basis point, or 1%, unfavorable change in interest rates would have a minimal impact to the fair value of our cash equivalents as of June 30, 2021.

We have evaluated the potential credit risk exposure for our accounts receivable in accordance with ASC 326, Financial Instruments - Credit Losses. See note 2, for further discussion.

We primarily operate in the United States with minimal activity outside the U.S. We are primarily exposed to foreign exchange risk with respect to recognized assets and liabilities due to vendors in countries outside the United States which are typically paid in Euro and Australian dollars. We do not enter into hedging transactions and do not purchase derivative instruments.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our financial statements and supplementary data are attached hereto beginning on Page F-1 and are incorporated by reference herein.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its chief executive officer and chief financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. As required by Rules 13a-15(b) and 15d-15(b) under the Exchange Act, our management, with the participation of our chief executive officer and chief financial officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures as of June 30, 2021. Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of June 30, 2021.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for our company, as this term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. As required by Rules 13a-15(e) and 15d-15(e) under the Exchange Act, our management, with the participation of our chief executive officer and chief financial officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of June 30, 2021, based on the criteria set forth in the Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of June 30, 2021.

This report does not include an attestation report of our independent registered public accounting firm regarding our internal control over financial reporting, in accordance with applicable SEC rules that permit us to provide only management's report in this report.

Changes in Internal Control over Financial Reporting

During the year ended June 30, 2021, there were no material changes made in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act).

Inherent Limitations on Disclosure Controls and Procedures

Management recognizes that any controls and procedures, no matter how well-designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the benefits of possible controls and procedures relative to their costs. Because of these inherent limitations, our disclosure controls and procedures may not prevent or detect all instances of fraud, misstatements, or other control issues. In addition, projections of any evaluation of the effectiveness of disclosure or internal controls to future periods are subject to risks, including, among others, that controls may become inadequate because of changes in conditions or that the degree of compliance with policies or procedures may deteriorate.

Item 9B. OTHER INFORMATION

None

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Executive Officers

The following table sets forth our directors and executive officers, their ages and the positions they held as of the date of this Annual Report. All of our directors and executive officers may be contacted at our registered office located at 28159 Avenue Stanford, Suite 220, Valencia, CA 91355.

Name	Position	Age	Date First Elected or Appointed
Lou Panaccio	Non-Executive Chairman	64	July 2014
Jeremy Curnock Cook	Non-Executive Director	71	October 2012
Louis Drapeau	Non-Executive Director	77	January 2016
Professor Suzanne Crowe	Non-Executive Director	69	January 2016
James Corbett	Non-Executive Director	63	July 2021
Jan Stern Reed	Non-Executive Director	61	July 2021
Dr. Michael Perry	Executive Director and Chief Executive Officer	61	June 2017
Michael Holder	Chief Financial Officer	59	March 2021
Kathy McGee	Chief Operating Officer	56	December 2020
Erin Liberto	Chief Commercial Officer	47	August 2017
Andrew Quick	Chief Technology Officer	50	April 2019
Donna Shiroma	General Counsel	58	June 2018

Lou Panaccio has served as Non-Executive Chairman of the Board of Directors since July 2014. Mr. Panaccio is a successful healthcare businessman with extensive experience leading companies from concept to commercialization. Mr. Panaccio possesses more than 30 years of executive leadership experience in healthcare services and life sciences, including more than 20 years of board-level experience. Mr. Panaccio is currently a Non-Executive Director of ASX50 company and one of the world's largest medical diagnostics companies, Sonic Healthcare Limited, where he has served since 2005. In addition, Mr. Panaccio is Non-Executive Director of Unison Housing Limited, was Non-Executive Chairman of Genera Biosystems Limited until June 2019, and a Non-Executive Director of Rhythm Biosciences Limited, a publicly listed (ASX) development-stage medical diagnostics company.

We believe Mr. Panaccio is qualified to serve on our board of directors based on his extensive experience in the healthcare services and life sciences and his experience serving on boards.

Jeremy Curnock Cook has served as a Non-Executive Director of the Board since October 2012. Mr. Curnock Cook is currently the Managing Director of Bioscience Managers Pty Ltd, a formerly a shareholder of the Company, responsible for the BM Asia Pacific Healthcare Fund, and serves as Chairman of International Bioscience Managers Ltd. He is the former head of the life science private equity team at Rothschild Asset Management and was responsible for the launch of the first dedicated biotechnology fund for the Australian market and the conception and launch of the International Biotechnology Trust. Mr. Curnock Cook serves as a Non-Executive Director of Adherium Ltd, a public (ASX) company with a digital health platform focused on improving medication adherence and patient outcomes. From November 2005, he also serves as a Director for AmpliPhi Biosciences Corporation, Inc. (which merged to Armata Pharmaceuticals, Inc. in May 2019), a public (NYSE) clinical-stage biotechnology company focused on the development of bacteriophage-based therapies for the treatment of antibiotic-resistant bacterial infections. He also serves as a Director for Sea Dragon Limited, a public (NZX) company processing fish oils into marine bioactive compounds. Mr. Curnock Cook previously served as a Non-Executive Director of Phylogica Limited, a public (ASX) company developing next generation intracellular biological therapeutics.

We believe Mr. Curnock Cook is qualified to serve on our board of directors based on his extensive experience in the life sciences.

Louis Drapeau has served as Non-Executive Director of our board since January 2016. Mr. Drapeau has considerable expertise in both the biotech sector and with the financial reporting and other requirements of U.S. public companies. From March 2011 until May 2019, Mr. Drapeau served as an Independent Director at AmpliPhi Biosciences Corporation, Inc., a public (NYSE) clinical-stage biotechnology company focused on the development of bacteriophage-based therapies for the treatment of antibiotic-resistant bacterial infections. Mr. Drapeau has held senior positions with Insite Vision Inc., Nektar Therapeutics and BioMarin Pharmaceutical, Inc., and served as an Audit Partner at Arthur Andersen LLP. Mr. Drapeau was previously an Independent Director at Bio-Rad Laboratories, a public (NYSE) company manufacturing products for the life science research and clinical diagnostics markets, and InterMune, Inc., a public (NASDAQ) commercial-stage biotech company. He has an MBA from Stanford University.

We believe Mr. Drapeau is qualified to serve on our board of directors based on his experience with financial reporting and other requirements of U.S. public companies, and considerable expertise in the biotech sector.

Professor Suzanne Crowe AO has served as a Non-Executive Director since January 2016. Australian-based, she is a physician-scientist and company director with extensive expertise in supporting companies with their medical and scientific strategies. Professor Crowe is a Principal Research Fellow of the Australian National Health and Medical Research Council. She is a Principal Specialist in Infectious Diseases at The Alfred Hospital, Melbourne and Adjunct Professor of Medicine and Infectious Diseases at Monash University, Melbourne, and has published more than 200 peer-reviewed papers. Professor Crowe is a member of the Australian Institute of Company Directors and is a Director of St Vincents Health Australia, the country's largest not-for-profit health and aged care provider. Professor Crowe was appointed as a Member of the Order of Australia (AM) in 2011 to recognize her service to medical research in HIV/AIDS. She has medical and MD degrees from Monash University, an internal medicine specialist qualification in Infectious Diseases from the Royal Australasian College of Physicians, and a Diploma in Medical Laboratory Technology from the Royal Melbourne Institute of Technology.

We believe Professor Crowe is qualified to serve on our board of directors based on her technical experience and extensive expertise in supporting companies with their medical and scientific strategies.

James Corbett has served as a Non-Executive Director of our board of directors since July 2021. He has approximately 40 years of leadership experience in the medical device field, most recently, as CEO of CathWorks Ltd., a software-based medical technology company. Mr. Corbett has extensive global commercial and operating experience, serving as an expatriate General Manager of Baxter Japan and later as General Manager and President of Scimed Life Systems Inc. and Boston Scientific International respectively. During his career he has served as CEO of three publicly listed companies; Microtherapeutics Inc (MTIX), ev3 Inc (evvv), Alphatec Spine (ATEC). Mr. Corbett has also led two privately funded companies as CEO; Home Diagnostics Inc. and Vertos Medical. Mr. Corbett has extensive capital market and governance experience from both public and private environments. Mr. Corbett holds a Bachelor of Science in Business Administration from the University of Kansas.

We believe Mr. Corbett is qualified to serve on our board of directors based on his global commercial and operating expertise in supporting companies with their medical and scientific strategies.

Jan Stern Reed has served as a Non-Executive Director of our board of directors since July 2021. She has more than 35 years of legal, management and business leadership experience primarily within the healthcare industry, and brings significant expertise in corporate governance, compliance and risk management. Ms. Reed served as Senior Vice President, General Counsel and Corporate Secretary at Walgreens Boots Alliance, Inc., a global pharmacy-led, health and wellbeing company. Prior to Walgreens, Ms. Reed was Executive Vice President, Human Resources, General Counsel and Corporate Secretary of Solo Cup Company, where she was responsible for the legal, human resources, internal audit, corporate communications, and compliance functions. Prior to Solo Cup Company, she was Associate General Counsel, Corporate Secretary and Chief Corporate Governance Officer at Baxter International, Inc. Ms. Reed holds a Bachelor of Arts degree from the University of Michigan and a Juris Doctor from the Northwestern University Pritzker School of Law. Ms. Reed currently serves as a board member of Stepan Co. (NYSE:SCL), a major manufacturer of specialty and intermediate chemicals used in a broad range of industries, and AngioDynamics, Inc. (NASDAQ: ANGO), a leading provider of innovative, minimally invasive medical devices for vascular access, peripheral vascular disease and oncology.

We believe Ms. Reed is qualified to serve on our board of directors based on her executive leadership experience in legal, corporate governance, risk management, health care regulatory, compliance, manufacturing, and strategic business matters, as well as her extensive experience with acquisitions and employee development.

Dr. Michael Perry was appointed Chief Executive Officer and Executive Director in June 2017. Prior to this appointment, Dr. Perry served as a Non-Executive Director commencing in February 2013. From 2016 to 2017, he served as Senior Vice President and Chief Scientific Officer of Global Business Development and Licensing for Novartis AG. From 2014 to 2016, Dr. Perry served as Chief Scientific Officer of Novartis' Cell and Gene Therapy Unit, and from 2012 to 2014 he served as Vice President and Global Head of Stem Cell Therapy for Novartis Pharmaceuticals Corp, a U.S. affiliate of Switzerland-based Novartis AG. Dr. Perry previously served as the Global Head of R&D at Baxter Healthcare, President and CEO of Cell & Gene Therapy at Novartis affiliates Systemix Inc. and Genetic Therapy, Inc., VP Regulatory Affairs at Sandoz Pharmaceuticals Corp., Director of Regulatory Affairs at Schering-Plough Corporation, and Chairman, CEO or CMO at several early stage biotech companies. He also previously served as a Venture Partner with Bay City Capital, LLC, a life science investment firm managing venture capital funds, based in San Francisco California. Dr. Perry serves as a Director of Arrowhead Pharmaceuticals, a public (NASDAQ) development stage company focused on medicines that treat intractable diseases by silencing genes. He is also a Director at BioScience Managers Pty Ltd.

We believe Dr. Perry is qualified to serve on our board of directors based on our review of his experience, qualifications, attributes and skills, including his executive leadership experience in the healthcare and biotechnology industries.

Michael Holder was appointed Chief Financial Officer in March 2021. Mr. Holder is a seasoned executive with more than 25 years of experience serving in senior financial, executive management and board roles with leading companies in the medtech, biotech and pharma industries. Most recently, Mr. Holder served as Chief Financial Officer of ImmuneCyte Inc., a global clinical stage biopharmaceutical company with innovative cell and gene immune-oncology therapeutics. Prior to that, Mr. Holder served as CEO and Portfolio Manager of Carolina Longevity Institute, a global investment company focused on medtech, biotech and pharma investments in the healthspan and human longevity sectors. Prior to that, Mr. Holder was CFO, and then promoted to Chairman and CEO of Organ Transport Systems, Inc. a medical device company in the organ transplantation industry. Prior to that, Mr. Holder was CFO and then promoted to Vice President of Sales, Operations and Finance of Premier Sourcing Partners, the information and medical technology subsidiary of Premier Inc. Prior to that, Mr. Holder was CFO of BeaconEye Inc., a publicly traded medtech company; Vice President of Heartland Capital Partners, the Sam Walton family controlled private equity fund; and Principal in the Corporate Development Group of AMR Corporation, a former Fortune 500 transportation and information technology company.

Mr. Holder holds a Master of Business Administration from the Wharton School of Business at the University of Pennsylvania and a Bachelor of Science in Business Administration from the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill.

Kathy McGee was appointed Chief Operating Officer in December 2020. She brings more than 25 years of biopharmaceutical and life sciences experience to AVITA Medical, most recently serving as President of CnA Consulting Group, which focuses on providing specialized consulting services to the life sciences industry. Prior to CnA Consulting, Ms. McGee was the Vice President of West Coast Operations at Shire Pharmaceuticals Regenerative Medicine Division, formerly Advanced BioHealing, where she was a part of the leadership team responsible for manufacturing operations, strategic planning, capital expansion, and real estate. At Advanced BioHealing, Ms. McGee served as the Senior Vice President of Operations and General Manager, with responsibility for the company's manufacturing operations in La Jolla, CA. She has also held senior operations leadership roles at Smith and Nephew and Advanced Tissue Sciences. She earned her Bachelor of Science in Chemistry and Mathematics from University College Galway Ireland, and holds a Master's degree in Business and Management from Webster University

Erin Liberto has served as Chief Commercial Officer since August 2017. Ms. Liberto has more than 20 years of multifaceted global commercial experience developing, launching, managing, and optimizing healthcare portfolios with products that span therapeutic and aesthetic indications for international organizations including Allergan and Johnson & Johnson. Ms. Liberto's proficiency in long-term strategic planning has led to more than a dozen successful product launches across the United States, Europe, and Asia Pacific. Ms. Liberto holds an International MBA with a concentration in Global Marketing from Thunderbird School of Global Management in Arizona and a Bachelor of Commerce from McMaster University in Canada.

Andrew Quick was appointed Chief Technology Officer in April 2019 and previous to that served as Senior Vice President, Clinical Development beginning July 2010. Mr. Quick has more than 25 years of experience in medical device design, development, clinical research and medical affairs. Mr. Quick has previously held leadership positions in the development of diagnostic instrumentation and active implantable therapeutics, including most recently with Boston Scientific Neuromodulation / Advanced Bionics from 2006 to 2010 where he led U.S. investigational device and post-market clinical research in the cochlear implant business. He also served in a series of positions with SonaMed Corporation from 1994 to 2005, including Vice President, Products and Clinical Affairs. Mr. Quick has B.S. and M.S. degrees in Biomedical Engineering from Boston University.

Donna Shiroma has served as General Counsel since June 2018. Ms. Shiroma has more than 20 years of legal and compliance experience in the pharmaceutical and medical device industries and has played an instrumental role in transitioning companies from clinical to commercial entities. Prior to joining the Company, she served in roles of increasing responsibility as corporate counsel, general counsel, vice president of legal, chief privacy and compliance officer, and chief commercial officer for Astrex Pharmaceuticals from 2017 to 2018, Ascend Therapeutics from 2008 to 2017, PDL BioPharma from 2006 to 2008, and several Johnson & Johnson companies. Ms. Shiroma holds a B.S. in Environmental Sciences from University of California, Berkley, and a Juris Doctor degree from Santa Clara University School of Law. She is licensed in the State of California as an attorney.

Term of Office

Our directors are elected for a term of one year and until their respective successors are elected and qualified, or until their earlier resignation, disqualification or removal. Our executive officers are appointed by our board of directors and hold office for such terms as may be prescribed by our board of directors and until their successors are appointed, or until their earlier resignation or removal.

Family Relationships

There are no family relationships between our directors or executive officers.

Involvement in Certain Legal Proceedings

None of our directors or executive officers has been involved in any of the following events during the past ten years:

a) any bankruptcy petition filed by or against any business or property of such person or any partnership or business in which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

b) any conviction in a criminal proceeding or being a named subject of a pending criminal proceeding (excluding traffic violations and other minor offences);

c) being the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities or banking activities;

d) being found by a court of competent jurisdiction (in a civil action), the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;

e) being the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of: (i) any federal or state securities or commodities law or regulation; or (ii) any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease- and-desist order, or removal or prohibition order; or (iii) any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

f) being the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as defined in Section 1(a)(40) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Gender Diversity

Under the 4th Edition of the ASX's Corporate Governance Principles and Recommendations the Company is required to set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally.

In the Company's 2020 Form 10-K, the Company confirmed that it had set a target of having at least 30% of its directors being of each gender by 2024. As at the date of this Annual Report, the Company has almost achieved that target as the directors of the Company are 28.6% female and 71.4% male.

The Company is also in the process of developing measurable objectives for achieving gender diversity in the composition of its senior executives and workforce generally in accordance with its Code of Ethics and Business Conduct. The Company will disclose its measurable objectives, the time period for achieving those objectives and the Company's progress towards achieving those objectives in future reporting periods.

Performance Evaluations

The Company undertook an evaluation of the performance of the board of directors and the Company's senior executive team during the fiscal year ended June 30, 2021. An evaluation of the board of directors was completed on October 7, 2020 and an evaluation of the performance of the Company's senior executive team was completed during March 2021. The Company has not yet undertaken an evaluation of the performance of its committees and individual directors in respect of the fiscal year ended June 30, 2021.

Code of Ethics

We have adopted a Code of Conduct, or the Code, that constitutes a "code of ethics" as that term is defined in paragraph (b) of Item 406 of Regulation S-K and that applies to our executive officers, management and employees of the Company. A copy of the Code is included as Exhibit 14.1 to this Annual Report and is available on our website at www.avitamedical.com.

If we make any amendments to the Code or grant any waivers, including any implicit waiver, from a provision of the Code, we will disclose the nature of such amendment or waiver on our website. The information on our website is not incorporated by reference into this Annual Report.

Section 16(a) Beneficial ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act requires the Company's directors and certain of its executive officers and persons who beneficially own more than 10% of the Company's common shares to file reports of and changes in ownership with the SEC. Based solely on the Company's review of copies of SEC filings it has received or filed, the Company believes that each of its directors, executive officers, and beneficial owners of more than 10% of the shares satisfied the Section 16(a) filing requirements during fiscal year ended June 30, 2021.

Election of Directors

Our board of directors consists of seven members. Directors are elected at our annual general meeting of stockholders, and hold office for a term of one year and until their successors have been elected and qualified or until the earlier of their resignation or removal. Any newly created directorship or any vacancy occurring on our board of directors may be filled only by a majority of the remaining members of our board, even if such majority is less than a quorum, and each director so elected shall hold office until the expiration of the term of office of the director whom he or she has replaced or until his or her successor is elected and qualified. Under ASX Listing Rule 14.4, any directors of the Company (except a managing director) must not hold office without re-election past the third annual general meeting following the director's appointment or three years, whichever is longer.

Committees of the Board of Directors

Our board of directors has established an audit committee, a compensation committee and a nomination and corporate governance committee, each of which operates pursuant to a written charter adopted by our board of directors. Our board of directors may also establish other committees from time to time to assist the board of directors. The composition and functioning of all of our committees comply with all applicable requirements of the Sarbanes-Oxley Act, NASDAQ and SEC rules and regulations and the ASX Listing Rules and also align with the ASX Corporate Governance Council's 4th Edition Corporate Governance Principles and Recommendations. Each committee has a charter, which is available on our website at www.avitamedical.com. As of the date of this report, the composition of our audit, compensation and nomination and corporate governance committees were as follows:

Director	Independent	Compensation Committee	Audit Committee	Nomination and Corporate Governance Committee
Lou Panaccio	X		Member	
Jeremy Curnock Cook	X	Member	Member	Member
Louis Drapeau	X	Member	Chair	Member
Professor Suzanne Crowe	X	Chair		Chair
James Corbett*	X			
Jan Stern Reed*	X			

*Directors were appointed July 1, 2021 and were not part of any Committees during the fiscal year.

During the fiscal year ended June 30, 2021, the Board of Directors met a total of nine times (August 7, 2020, August 25, 2020, September 30, 2020, October 8, 2020, November 17, 2020, December 22. 2020, January 6, 2021, February 10, 2021, and May 11, 2021) and had full attendance of each Board of Directors member (six Board of Directors members) at six of those meetings, as well as attendance by at least four Board of Directors members at all nine meetings.

Audit Committee

NASDAQ Marketplace Rules require us to establish an audit committee comprised of at least three members, each of whom is financially literate and satisfies the respective "independence" requirements of the SEC and NASDAQ and one of whom has accounting or related financial management expertise at senior levels within a company. In addition, the ASX Listing Rules and the 4th

Edition of the ASX's Corporate Governance Principles and Recommendations require us to have an audit committee comprised of at least three members, all of whom are non-executive directors and a majority of whom are "independent" directors and which is chaired by an independent director who is not the chair of the board.

We have a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. Our Audit Committee assists our board of directors in overseeing the accounting and financial reporting processes of our company and audits of our financial statements, including the integrity of our financial statements, compliance with legal and regulatory requirements, our registered public accounting firm's qualifications and independence, and registered public accounting firm, and such other duties as may be directed by our board of directors. The Audit Committee is also required to assess risk management in conjunction with the board.

Our Audit Committee currently consists of three board members, each of whom satisfies the "independence" requirements of the SEC, NASDAQ Marketplace Rules, the ASX Listing Rules and the 4th Edition of the ASX's Corporate Governance Principles and Recommendations. Our Audit Committee is currently composed of Louis Drapeau, Lou Panaccio, and Jeremy Curnock Cook (who joined the Audit Committee in April 2021) until a new director is assigned to replace Jeremy Curnock Cook. Each qualifies as an "independent director" within the meaning of NASDAQ Marketplace Rules and the 4th Edition of the ASX's Corporate Governance Principles and Recommendations. Mr. Drapeau is the chairman of the audit committee (being an independent director who is not the chair of the board). The Audit Committee meets at least two times per year. During the fiscal year ended June 30, 2021, the Audit Committee met a total of four times (August 25, 2020, November 9, 2020, February 10, 2021, and May 10, 2021). For the February 10, 2021 Audit Committee meeting, the Audit Committee was only comprised of two members (due to there being a vacancy as a result of a prior director resigning from their role as a director of the Company with effect from November 9, 2020 and prior to Mr. Curnock Cook joining the Audit Committee in April 2021). All other meetings had full Audit Committee members in attendance. In addition, all four meetings had the Chief Executive Officer in attendance. Our board of directors has determined that Louis Drapeau is an "audit committee financial expert," as defined in item 407(d)(5)(ii) of Regulations S-K.

Compensation Committee

Our board of directors has established a Compensation Committee, which is comprised of independent directors, within the meaning of NASDAQ Marketplace Rules and also the 4th Edition of the ASX's Corporate Governance Principles and Recommendations. The Compensation Committee must be comprised solely of non-executive directors in accordance with the ASX Listing Rules and must also be chaired by an independent director in accordance with the 4th Edition of the ASX's Corporate Governance Principles and Recommendations. The Compensation Committee is responsible for reviewing the salary, incentives and other benefits of our directors, senior executive officers and employees, and to make recommendations on such matters for approval by our board of directors. The Compensation Committee is also responsible for overseeing and advising our board of directors with regard to the adoption of policies that govern our compensation programs. Suzanne Crowe, Louis Drapeau, and Jeremy Curnock Cook are the current members of the Compensation Committee and each qualifies as an "independent director" within the meaning of NASDAQ Marketplace Rules and the 4th Edition of the ASX's Corporate Governance Principles and Recommendations. Professor Crowe is the chairman of this committee (being an independent director who is not the chair of the board). During the fiscal year ended June 30, 2021, the Compensation Committee met a total of five times (August 7, 2020, October 8, 2020, November 5, 2020, February 10, 2021, and May 6, 2021) and had full attendance of each Compensation Committee member (three Compensation Committee members) at all five of those meetings.

Nomination and Corporate Governance Committee

Our board of directors has established a Nomination and Corporate Governance Committee. Under the 4th Edition of the ASX's Corporate Governance Principles and Recommendations, our Nomination and Corporate Governance Committee should have at least three members, a majority of whom are independent director and should also be chaired by an independent director. Suzanne Crowe, Louis Drapeau, and Jeremy Cook are the current members of the Nomination and Corporate Governance Committee and each qualifies as an "independent director" within the meaning of NASDAQ Marketplace Rules and the 4th Edition of the ASX's Corporate Governance Principles and Recommendations. Professor Crowe is the chairman of this committee (being an independent director). The Nomination and Corporate Governance Committee is responsible for identifying individuals qualified to become members of our board of directors, recommending nominees for election at the stockholders meetings or to fill vacancies that arise on our board of directors, and recommending qualified and experienced directors to serve on the committees of our board of directors. In addition, the Nomination and Corporate Governance Committee is responsible for leading the board of directors to complete a self-evaluation of the board, its committees, and the individual directors. During the fiscal year ended June 30, 2021, the Nomination and Corporate Governance Committee met six times (August 7, 2020, October 8, 2020, November 5, 2020, February 9, 2021, April 13, 2021, and May 6, 2021) and had full attendance of each Nomination and Corporate Governance Committee member (three Nomination and Corporate Governance Committee members) at all six of those meetings.

Item 11. EXECUTIVE COMPENSATION

The particulars of the compensation paid to our “named executive officers” of our company are set out in the summary compensation below. For the fiscal year ended June 31, 2021, our “named executive officers” and their positions were as follows:

- Michael Perry, *Chief Executive Officer*
- Michael Holder, *Chief Financial Officer*
- Kathy McGee, *Chief Operating Officer*
- Erin Liberto, *Chief Commercial Officer*
- Andrew Quick, *Chief Technology Officer*
- Donna Shiroma, *General Counsel*

SUMMARY COMPENSATION TABLE

Name and Position		Year	Salary (1) ($)	Bonus (2) ($)	Stock Awards (3) ($)	Option Awards (4) ($)	All Other Compensation (5) ($)		Total ($)
Michael Perry		2021	497,087	414,960	-	-	146,800	(10)	1,058,847
Chief Executive Officer		2020	475,000	415,625	15,424,774	-	991,473	(11)	17,306,872
		2019	475,000	365,750	-	594,425	50,746		1,485,921
Michael Holder		2021	114,423	-	-	1,966,472	51,008	(12)	2,131,903
Chief Financial Officer		2020	-	-	-	-	-		-
		2019	-	-	-	-	-		-
Kathy McGee		2021	199,646	35,350	-	1,893,473	21,427		2,149,896
Chief Operating Officer		2020	-	-	-	-	-		-
		2019	-	-	-	-	-		-
Erin Liberto,		2021	335,572	125,058	-	—	54,636		515,266
Chief Commercial Officer		2020	310,539	114,548	-	—	50,452		475,540
		2019	285,000	105,000	-	350,162	46,030		786,192
Andrew Quick		2021	329,648	117,936	-	-	44,113		491,697
Chief Technology Officer		2020	314,717	97,231	-	-	42,319		454,267
		2019	288,750	85,000	-	691,617	43,194		1,108,560
Donna Shiroma		2021	335,572	116,721	-	-	21,413		473,706
General Counsel		2020	313,064	103,022	60,136	-	36,090		512,312
		2019	300,000	83,000	-	570,754	28,981		982,734
Sean Ekins	(6)	2021	102,340	-	113,250	-	14,268		229,858
Former Interim Chief Principal Financial and Accounting Officer		2020	-	-	-	-	-		-
		2019	-	-	-	-	-		-
David McIntyre	(7)	2021	166,957	-	-	-	52,154		219,111
Former Chief Financial Officer		2020	242,079	25,062	1,804,073	3,702,477	59,659	(13)	5,833,350
		2019	-	-	-	-	-		-
Timothy Rooney, former	(8)	2021	36,101	-	-	-	661,825	(14)	697,926
Chief Administrative Officer and Former Chief Financial Officer		2020	315,716	143,280	100,226	-	24,319		583,542
		2019	316,000	105,000	-	229,459	28,390		678,848
Dale Sander		2021	-	-	-	-	-		-
Former Chief Financial Officer		2020	-	-	-	-	-		-
	(9)	2019	273,239	175,500	-	350,162	227,231	(15)	1,026,131

(1) Amounts in this column represent dollar value of base salary (cash and non-cash) earned by the named executive officer during the fiscal year covered.

(2) Amounts in this column represent dollar value of bonus (cash and non-cash) earned by the named executive officer during the fiscal year covered.

(3) Amounts in this column represent awards of restricted stock units with the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. The fair value determined at the date of grant in accordance with U.S. GAAP based on the closing price of our common stock on the applicable grant date. The vesting of these stock awards are subject to various performance or related criteria, including continuation of employment over the relevant vesting period.

(4) Amounts in this column represent awards of stock options with the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. Amounts in this column represent option awards issued to the individuals noted, based on the fair value determined at the date of grant in accordance with U.S. GAAP. See Note 13- Share-Based Payment Plans to our Consolidated Financial Statements included in Part II, Item 8. “Financial Statements and Supplementary Data” for the assumptions used in determining the grant date fair value of option awards. The vesting of these option awards are subject to various performance or related criteria, including continuation of employment over the relevant vesting period.

(5) Amounts in this column represent all other compensation for the covered fiscal year that the smaller reporting company could not properly report in any other column of the Summary Compensation Table. This includes the 401-k Match, superannuation (pension) and health care benefits.

(6) Former Interim Chief Principal Financial and Accounting Officer from November 24, 2020 – March 22, 2021. Salary represents amounts earned during this period.

(7) Mr. McIntyre resigned as Chief Financial Officer as of November 23, 2020.

(8) Mr. Rooney’s employment with the Company ended on July 31, 2020.

(9) Mr. Sander resigned as Chief Financial Officer as of May 15, 2019.

(10) Comprises (a) $114,408 in relation to the travel, flight and accommodation costs associated with the executive commuting from his home on Colorado to our offices in Valencia, California (including an amount necessary to gross up these cost for income

tax purposes under U.S. federal, California and Colorado State laws); (b) $26,217 associated with medical benefits (including an amount necessary to gross up these cost for income tax purposes under U.S. federal, California and Colorado State laws), and (c) $6,175 associated with 401-k matching contributions.

(11) Comprises (a) $204,682 in relation to the travel, flight and accommodation costs associated with the executive commuting from his home on Colorado to our offices in Valencia, California (including an amount necessary to gross up these cost for income tax purposes under U.S. federal, California and Colorado State laws); (b) $723,620 associated with profession legal, financial and tax advice associated with the conclusion of various employment, financial and income tax issues in connection with the executive's revised employment arrangement (including an amount necessary to gross up these cost for income tax purposes under U.S. federal, California and Colorado State laws); and (c) $50,419 associated with medical benefits (including an amount necessary to gross up these cost for income tax purposes under U.S. federal, California and Colorado State laws), and (d) $12,752 associated with 401-k matching contributions.

(12) Comprises $47,923 of relocation expenses and $3,085 of 401(k) employer match contribution.

(13) Comprises (a) $35,945 in relation to the travel, flight and accommodation costs associated with the executive commuting from his home in New Jersey to our offices in Valencia, California (including an amount necessary to gross up these costs for income tax purposes under relevant U.S. federal, California and New Jersey income tax laws); $16,712 associated with health care benefits pursuant to the Company's health care plan; and (b) $9,001 associated with 401-k matching contributions.

(14) Includes severance payments of $661,825, as part of employment agreement.

(15) Includes severance payments of $187,788, and health care benefits of $39,443 pursuant to the Company's health care plan.

Employment Contracts

The following table outlines the specified terms of the relevant employment contracts for the Named Executive Officers of the Company and non-Employee Directors of the Company:

Role	Name	Contract Duration	Period of Notice	Termination payments provided for by contract (1)
Chief Executive Officer (CEO)	Dr. Michael Perry	Open ended contract	Voluntary Termination: not less than 30 days nor more than 90 days. Termination for Good Reason: Not to exceed 90 days	12 months
Chief Financial Officer	Michael Holder	Open ended contract	3-month notice period	9 months
Chief Operating Officer (COO)	Kathy McGee	Open ended contract	3-month notice period	9 months
Chief Commercial Officer (CCO)	Erin Liberto	Open ended contract	No notice period	6 months
Chief Technology Officer (CTO)	Andrew Quick	Open ended contract	No notice period	6 months
General Counsel (GC)	Donna Shiroma	Open ended contract	No notice period	6 months
Non-Executive Chairman	Lou Panaccio	Open ended contract	No notice period	None
All other Non-Executive Directors	Jeremy Curnock Cook	Open ended contract	No notice period	None
	Louis Drapeau	Open ended contract	No notice period	None
	James Corbett	Open ended contract	No notice period	None
	Jan Stern Reed	Open ended contract	No notice period	None
	Professor Suzanne Crowe	Open ended contract	No notice period	None

(1) Severance payments only in the event of employment termination for involuntary termination without cause or termination for good reason. Good reason is defined as (i) a material diminution in executive's authority, duties or responsibilities in effect at the time of this agreement; (ii) any reduction in the executive's then-current base salary, (iii) relocation of executive's principal place of work by a distance of fifty miles or more from the executive's then current principal place of work without the executive's consent; (iv) material breach by the company of any provision of the executive's employment agreement or (v) the occurrence of a change in control provided (i) through (iv) if such conduct is not cured within thirty days of receipt of written notice by the executive.

Compensation Principles

The Compensation Committee has a formal Compensation Governance Framework which, at the core, consists of a revised Compensation Committee Charter (the "**Charter**"). The Charter outlines responsibilities and duties of the members, sets forth the frequency of meetings, establishes and reviews the overall compensation philosophy of the Company as well as review and approve the executive compensation program for the Chief Executive Officer and other executive officers, and make appropriate recommendations to the board of directors.

Compensation Committee

The Compensation Committee approves or makes recommendations to our Board of Directors on decisions concerning compensation of the executive management team and board of directors on a periodic basis to ensure that it is consistent with our short-term and long-term goals. The Compensation Committee assess the appropriateness of the nature and amount of compensation of our executives by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the recruitment and retention of a high-quality board and executive team.

Additionally, the Compensation Committee is responsible for evaluating the performance of the Company's key senior executives. Our Chief Executive Officer and other members of management regularly discuss our compensation issues with Compensation Committee members. Subject to Compensation Committee review, modification and approval, our Chief Executive Officer typically makes recommendations respecting bonuses and equity incentive awards for the other members of the executive management team. The Compensation Committee establishes all bonus and equity incentive awards for all executive members of the management team.

Executive Compensation Philosophy

Our executive compensation philosophy reflects our fundamental objectives:

- provide competitive rewards to attract, motivate and retain highly skilled directors and executives;
- align our executive officers' interests with those of our stockholders by rewarding short-term and long-term performance to increase stockholder value; and
- establish appropriate, demanding performance hurdles as a prerequisite to payment of variable executive compensation.

Executive Compensation Policies and Practices

We endeavor to maintain sound governance standards consistent with our executive compensation policies and practices. The following summarizes our executive compensation and related policies and practices:

- maintain an Independent Compensation Committee;
- retain an Independent Compensation Advisor/Firm When Needed. For fiscal year ended June 30, 20201, the Company utilized a third party for industry benchmarking information;
- acceptability to stockholders through transparency and engagement, and ensuring that compensation frameworks and practices are appropriate to the circumstances of the Company as it evolves; and
- annual review and approval of our compensation strategy, including a review of our compensation peer group used for comparative purposes and a review of our compensation-related risk profile to ensure that our compensation programs do not encourage excessive or inappropriate risk-taking and that the level of risk that they do encourage is not reasonably likely to have a material adverse effect on us.

Specific Objectives for Fiscal Year Ending June 30, 2021

We believe that the compensation of our executive officers should be directly linked to the achievement of specific objectives that are expected to increase stockholder value. In furtherance of this goal, the main focus of executives and of performance assessment was to increase U.S. revenue in calendar year 2021 over 2020 revenues, complete enrollment in the vitiligo program, complete recruitment of soft tissue subjects required for interim analysis, progress scientific research in our two partnerships in epidermolysis bullosa and rejuvenation/telomerase, expand our intellectual property portfolio with patent submissions resulting from scientific research activities and/or in-house development along with entering into new business development opportunities.

Executive Compensation Objective

The Company aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the Company so as to:

- reward executives for Company and individual performance against targets set by reference to appropriate benchmarks as well as to specific short- and long-term goals of the Company;
- align the interests of executives with those of stockholders; and
- ensure total compensation is competitive by market standards.

Executive Compensation Framework

The Company's broad framework for the Compensation Committee requires the Committee to ensure that

- executive compensation packages may involve a balance between fixed and incentive pay, reflection short and/or long-term performance objectives appropriate to the Company's objectives;
- executives' compensation is structured in a manner designed to link reward to corporate performances but at the same time, linking those corporate goals to strong individual performances but requires all executives to be aligned in working towards achieving the same goals; and
- recommendations are made to our board with respect to the quantum of bonuses to be paid to executives.

To the extent that the Company adopts a different compensation structure for its Non-Executive Directors, the Compensation Committee shall document its reasons for the purpose of disclosure to stakeholders.

Structure

The Compensation Committee determines the level and make-up of the Chief Executive Officer's compensation. The Compensation Committee reviews and approves the corporate goals and objectives relevant to the Chief Executive Officer's compensation and evaluates the Chief Executive Officer's performance in light of those goals and objectives, on an annual basis. The Compensation Committee takes advice from the Chief Executive Officer with input from industry benchmarking data to set and approve all other executive compensation. To assist in achieving the Company's objectives, the Compensation Committee links the nature and number of officers' emoluments to the Company's performance. Compensation may consist of the following key elements:

- Fixed Compensation
- Variable Compensation
- Short Term Incentive ("**STI**") and/or
- Long Term Incentive ("**LTI**")

The proportion of fixed compensation and variable compensation (potential short term and long-term incentives) is established for each executive by the Compensation Committee annually.

Fixed Compensation Objective and Structure

The level of fixed compensation is set to provide a base level of compensation which is both appropriate to the position and is competitive in the market. Fixed Compensation is reviewed annually by the Compensation Committee and the process consists of a review of Company-wide and individual performance and relevant comparative compensation in the market.

Variable Compensation –STI Objective and Structure

The objective of variable compensation is to link the achievement of the Company's operational targets with the compensation received by the executives charged with meeting those targets. The Company's operational targets are set by the Compensation Committee and the targets are based upon financial and non-financial measures. For fiscal year ended June 30, 2021, STI objectives consisted mainly of non-financial measures, primarily based around commercialization of the RECELL System in the United States. The target range was between 25-75% of base salary for the named executive officers. The Company's STI objectives are designed to:

- Motivate senior executives to achieve the short-term annual objectives linked to Company success and shareholder value creation;
- Create a strong link between performance and reward;
- Share company success with the senior executives that contribute to it; and
- Create a component of the employment cost that is responsive to short to medium term changes in the circumstances of the Company.

All key objectives were assessed by the Compensation Committee as being fully met. All named executive officers achieved 100% of the maximum bonus available to them under the STI plan and were paid in the current year.

Resignation, Retirement, Termination for Cause, or Resignation without Good Reason Arrangements

The Company does not have any agreements or plans in place for the named executive officers that would provide additional compensation in connection with a resignation, retirement, termination for cause, or resignation without good reason.

Potential Payments upon Involuntary Termination, Resignation without Good Reason or Change-In-Control

The employment agreements provide for the following severance payments upon termination by us without cause or by the employee for good reason: (i) payment of the employee's then-current base salary for a period of six months (in the case of the CCO, CTO and GC), nine months (in the case of COO and CFO) or twelve months (in the case of the CEO), following termination; (ii) a pro-rated target bonus for the period during which the employee was employed in the year of termination; and (iii) continued coverage under our group health and benefits plan consistent with the term of the base salary; and (iv) immediate acceleration of unvested stock options. Further, in the case of the Chief Executive Officer, if his employment terminates as a result of disability or death, he or his representative will be entitled to receive: (i) a lump sum payment equal to 12 months of the employee's then-current base salary, (ii) any unpaid vacation, and (iii) any unpaid expense reimbursements due and owing. Payment in each case is subject to the employee's execution of a release.

Outstanding Equity Awards at Fiscal Year End

The following table presents information regarding outstanding equity awards held by our named executive officers as of June 30, 2021.

	Option awards					Stock awards	
Name	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised unearned options (#)	Option exercise price ($)		Option expiration date	Number of unearned shares, units or other rights have not vested (#)	Market or payout value of unearned shares, units or other rights have not vested ($) (1)
Michael Perry, Chief Executive Officer (3)	150,000	—	$ 5.99		11/30/2028	95,014	$ 1,949,687
Michael Holder, Chief Financial Officer	—	150,000	$19.91 - $22.25	(2)	3/22/31 - 5/11/31	(2) —	$ —
Kathy McGee, Chief Operating Officer	—	128,000	$ 21.88		3/4/2031	—	$ —
Erin Liberto, Chief Commercial Officer	77,900	42,900	$5.03 - $6.38	(2)	9/6/2027 -11/30/2028	(2) —	$ —
Andrew Quick, Chief Technology Officer	82,993	37,806	$5.99 - $21.35	(2)	5/18/2027 - 4/1/2029	(2) —	$ —
Donna Shiroma, General Counsel	60,400	47,400	$4.38 - $6.38	(2)	6/25/2028 - 11/30/2028	(2) —	$ —

(1) Amounts in this column are calculated by multiplying the closing market price of the Company's stock as of June 30, 2021 by the number of shares or units of stock awards.
(2) Represents range of exercise price and expiration dates as options were granted on different dates throughout their tenure.
(3) On November 26, 2019 shareholders approved the equivalent of 395,543 long term incentives that vest over tenure and performance metrics

Compensation of Directors

Objective

Our board seeks to set aggregate compensation at a level which provides the Company with the ability to attract and retain directors of the highest caliber, whilst incurring a cost which is acceptable to stockholders.

Policy

The amount of aggregate compensation sought to be approved by stockholders and the fee structure is to be commercially acceptable, competitive and subject to an annual review. Our board considers industry benchmarking data regarding the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and Senior Management compensation is separate and distinct. The Constitution of our former parent company AVITA Medical and the ASX Listing Rules specify that the aggregate compensation of Non-Executive Directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on November 2020 when shareholders approved an aggregate compensation of $600,000 per year in respect of fees payable to Non-Executive Directors. Each director receives a fee for being a director of the Company and includes attendance and participation at board and committee meetings. The Non-Executive Directors do not participate in any incentive programs.

The following table sets forth certain information regarding the compensation earned by or awarded to each non-employee director who served on our board during the fiscal year ended June 30, 2021. We do not provide separate compensation to our

executive directors, such as Dr. Michael Perry, our Chief Executive Officer. Dr. Perry's compensation is reported in this Annual Report under "Item 11. Executive Compensation."

		Short-term Benefits Salary, fees and leave $	Post-employment Benefits 401K Match and Superannuation $	Equity-settled Share-based Payments Shares/Units $	Total $	Proportion of Elements of Compensation Not Related to Performance %
Non-Executive Directors						
L Panaccio - Chairman		$ 90,191	$ 8,568	$ -	$ 98,759	100%
J Curnock Cook		71,074	-	-	71,074	100%
L Drapeau		79,146	-	-	79,146	100%
D McDonald		36,259	-	-	36,259	100%
S Crowe		68,220	6,481	-	74,701	100%
J Corbett	(1)	-	-	-	-	0%
J Reed	(1)	-	-	-	-	0%
Total Non-Executive Directors		**$ 344,890**	**$ 15,049**	**$ -**	**$ 359,939**	

(1) Board members appointed July 1, 2021.

Compensation Committee Interlocks and Insider Participation

During fiscal year ended June 30, 2021, Suzanne Crowe, Louis Drapeau, and Jeremy Curnock Cook served as members of our Compensation Committee. None of the members of our Compensation Committee were an officer, former officer or employee of the Company during the period ended June 30, 2021. None of the members of our Compensation Committee had any relationship requiring disclosure by us under any paragraph of Item 404 of Regulation S-K. None of our executive officers currently serve, nor in the past fiscal year have served, as a member of the board of directors or Compensation Committee of any entity that has one or more executive officers serving on our board of directors or Compensation Committee.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Principal Stockholders and Management

The following table provides certain information regarding the ownership of our common stock (including our CDIs), as of July 31, 2021 by each person or group of affiliated persons known to us to be the beneficial owner of more than 5% of our common stock (including our CDIs); each of our named executive officers; each of our directors; and all of our executive officers and directors as a group. The table also sets out the names of all persons (of which the Company is aware) who have disclosed pursuant to the *Corporations Act 2001* (Cth) that they are "substantial shareholders" of the Company and carry 5% or more of the voting rights attached to the issued securities of the Company.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership [1]		Percentage of Class [2]
	More than 5% stockholders:			
Common Stock	Redmile Group, LLC, One Letterman Drive, Bldg. D, Ste D3-300, San Francisco, CA 94129	1,668,327	(3)	6.70%
	Directors and named executive officers:			
Common Stock	Lou Panaccio 28159 Avenue Stanford Suite 220 Valencia, CA 91355	20,064	(4)	*
Common Stock	Jeremy Curnock Cook 28159 Avenue Stanford Suite 220 Valencia, CA 91355	-		*
Common Stock	Louis Drapeau 28159 Avenue Stanford Suite 220 Valencia, CA 91355	339	(5)	*
Common Stock	Professor Suzanne Crowe 28159 Avenue Stanford Suite 220 Valencia, CA 91355	3,046	(6)	*
Common Stock	James Corbett 28159 Avenue Stanford Suite 220 Valencia, CA 91355	-	(9)	*
Common Stock	Jan Stern Reed 28159 Avenue Stanford Suite 220 Valencia, CA 91355	-	(9)	*
Common Stock	Dr. Michael Perry 28159 Avenue Stanford Suite 220 Valencia, CA 91355	528,333	(7)	2.12%
Common Stock	Michael Holder 28159 Avenue Stanford Suite 220 Valencia, CA 91355	14,063	(8)	*
Common Stock	Kathy McGee 28159 Avenue Stanford Suite 220 Valencia, CA 91355	19,000	(8)	*
Common Stock	Erin Liberto 28159 Avenue Stanford Suite 220 Valencia, CA 91355	80,400	(8)	*
Common Stock	Andrew Quick 28159 Avenue Stanford Suite 220 Valencia, CA 91355	82,993	(8)	*
Common Stock	Donna Shiroma 28159 Avenue Stanford Suite 220 Valencia, CA 91355	60,400	(8)	*
	All executive officers and directors as a group (12 persons)	**808,638**		3.25%

* Represents beneficial ownership of less than 1% of the outstanding common stock.

(1) Except as otherwise indicated, we believe that the beneficial owners of the common stock (and CDIs) listed above, based on information furnished by such owners, have sole investment and voting power with respect to such shares, subject to community property laws where applicable. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities.

(2) Percentage of ownership is based on 24,895,864 shares of our common stock issued (including all common stock represented by CDIs) and outstanding as of July 31, 2021. Common stock (or CDIs) subject to options or RSUs exercisable within 60 days of July 31, 2021 are deemed outstanding for purposes of computing the percentage ownership of the person holding such option or RSUs, but are not deemed outstanding for purposes of computing the percentage ownership of any other person.

(3) Redmile Group, LLC's beneficial ownership is comprised of 1,668,327 shares of common stock owned by certain private investment vehicles and/or separately managed accounts managed by Redmile Group, LLC, which shares of common stock may be deemed beneficially owned by Redmile Group, LLC as investment manager of such private investment vehicles and/or separately managed accounts. The reported securities may also be deemed beneficially owned by Jeremy C. Green as the principal of Redmile Group, LLC. Redmile Group, LLC and Mr. Green each disclaim beneficial ownership of these shares, except to the extent of its or his pecuniary interest in such shares, if any. Mr. Green serves as the managing member of Redmile Group, LLC, and as such has a deemed relevant interest in the shares under section 608(3) of the Corporations Act 2001(Cth).

(4) Reflects 100,320 CDIs, which represent 20,064 shares of common stock. Amount includes 29,860 CDIs which represent 5,972 shares of common stock that are held by The Panaccio Superannuation Fund.

(5) Reflects 1,695 CDIs which represent 339 shares of common stock.

(6) Reflects 15,230 CDIs which represent 3,046 shares of common stock.

(7) Includes 1,266,125 CDIs which represent 253,225 shares of common stock, which includes 631,523 CDIs (which represent 126,305 shares of common stock) held by the spouse of Dr. Perry and 101,354 shares of common stock. In addition, the amount

includes 150,00 stock options and 23,754 RSUs which give Dr. Perry the right to acquire 173,754 shares of common stock and are exercisable within 60 days of July 31, 2021.

(8) Amount represents stock options to acquire shares of common stock exercisable within 60 days of July 31, 2021.

(9) Board members effective July 1, 2021.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets out equity compensation plan information as of June 30, 2021.

Plan Category		Number of securities to be issued upon exercise of outstanding options, warrants and rights		Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the second column)	
Equity compensation plans approved by security holders						
2016 Equity Incentive Plan	(2)	1,058,295	$	11.72	—	(1)
RSU Awards		95,014	$	—		
2020 Equity Incentive Plan		440,200	$	21.37	1,309,800	
Equity compensation plans not approved by security holders		—		—	—	
Total		1,593,509	$	13.62	1,309,800	

(1) Upon closing of the Redomiciliation, the 2016 Plans were terminated with respect to future grants and accordingly, there are no more shares available to be issued under the 2016 Plans.

(2) The 2016 Plans were previously approved and adopted by the shareholders of AVITA Medical, the former parent company.

Australian Disclosure Requirements

In addition to the Company's primary listing on the NASDAQ Global Market, the Company's shares of common stock are also quoted in the form of CDIs on the ASX and trade under the ticker symbol "AVH". As part of our ASX listing, we are required to comply with the various disclosure requirements as set out under the ASX Listing Rules. The following information is intended to comply with the ASX Listing Rules (where that information has not been provided elsewhere in this Annual Report).

Jurisdiction of incorporation and restrictions on the acquisition of securities

The Company is incorporated in the State of Delaware in the United States of America. As a foreign company registered in Australia, the Company is not subject to Chapters 6, 6A, 6B and 6C of the *Corporations Act 2001* (Cth) dealing with the acquisition of its shares (including substantial holdings and takeovers).

Under the Delaware General Corporation Law, the Company's shares are generally freely transferable, subject to restrictions imposed by United States federal or state securities laws, by the Company's certificate of incorporation or by-laws or by an agreement signed with the holders of shares on issue. The Company's certificate of incorporation and by-laws do not impose any specific restrictions on the transfer of its shares. Repurchases of the Company's securities are governed by the safe harbor provisions set forth in Rule 10b-18 of the Securities Exchange Act of 1934. However, provisions of the Delaware General Corporation Law, the Company's certificate of incorporation and the Company's by-laws could make it more difficult to acquire the Company by means of a tender offer (takeover), a proxy contest or otherwise, or to remove incumbent officers and directors of the Company. These provisions could discourage certain types of coercive takeover practices and takeover bids that the Company's board may consider inadequate and encourage persons seeking to acquire control of the Company to first negotiate with the board.

Australian Corporate Governance Statement

The board of directors and employees of the Company are committed to developing, promoting and maintaining a strong culture of good corporate governance and ethical conduct. The board of directors confirm that the Company's corporate governance framework is generally consistent with the ASX's Corporate Governance Council's "Corporate Governance Principles and Recommendations" (4th Edition) ("**ASX Governance Recommendations**"). The Company's Corporate Governance Statement is

available for viewing at https://ir.avitamedical.com/corporate-governance. The Corporate Governance Statement sets out the ASX Governance Recommendations and the Company's response as to how and whether it follows those recommendations. Where the Company's practices depart from a recommendation, the board of directors have disclosed in the Corporate Governance Statement the departure along with reasons for the adoption of its own practices. The Company's most recent Corporate Governance Statement, dated August 26, 2021 and approved by the board of directors remains accurate as of the date of this annual report on Form 10-K.

Issued capital

As of July 31, 2021, the Company's issued share capital was as follows:

- 24,895,864 shares of common stock, of which:
  - 11,053,273 shares of common stock were held by 92 stockholders and quoted on NASDAQ; and
  - 13,842,591 shares of common stock were held by CHESS Depositary Nominees Pty Limited ("**Authorised Nominee**") (on behalf of 26,390 CDI holders) representing 69,212,955 CDIs quoted on ASX.

As of July 31, 2021, the following unquoted securities are on issue, which entitle the holders of those securities, upon vesting of their conversion rights, to be issued shares of common stock of the Company:

- the equivalent of 1,618,570 unquoted options held amongst 113 option holders. Specifically:
  - the equivalent of 150,000 options are on issue to Dr Michael Perry, CEO;
  - the equivalent of 1,468,570 options were granted (and are on issue) to 112 employees of the AVITA Group under the 2016 and 2020 stock option incentive plans; and
- the equivalent of 187,514 unquoted restricted stock units ("**RSUs**") held as follows:
  - the equivalent of 95,014 RSUs held by Dr Michael Perry, CEO; and
  - the equivalent of 92,500 RSUs held by 15 executives under Avita Medical's Employee Incentive Option Plan.

Voting Rights

The Company's by-laws provide that each stockholder has one vote for every share of common stock entitled to vote held of record by such stockholder. If holders of CDIs wish to attend and vote at the Company's general meetings, they will be able to do so. Under the ASX Listing Rules and ASX Settlement Operating Rules, the Company must allow CDI holders to attend any meeting of the holders of the underlying securities, unless relevant United States laws at the time of the meeting prevent CDI holders from attending those meetings.

In order to vote at such meetings, CDI holders have the following options:

- instruct the Authorised Nominee (as the legal owner of the shares of common stock) to vote the common stock represented by their CDIs in a particular manner. A voting instruction form will be sent to CDI holders with the notice of meeting or proxy statement for the meeting and that instruction form must be completed and returned to the Company's registry prior to the record date fixed for the relevant meeting ("**CDI Voting Instruction Receipt Time**"), which is notified to the CDI holder in the voting instructions included in the notice of meeting; or
- inform the Company that they wish to nominate themselves or a third party to be appointed as the Authorised Nominee's proxy with respect to their common stock underlying their CDIs for the purposes of attending and voting at the meeting. The instruction form must be completed and returned to the Company's registry prior to the CDI Voting Instruction Receipt Time.

Alternatively, a CDI holder can convert their CDIs into a holding of common stock and vote those shares of common stock at a meeting of stockholders. Such a conversion must be undertaken prior to the record date fixed by the Company's board of directors for determining the entitlement of stockholders to attend and vote at the meeting. However, if the former CDI holder later wishes to sell their investment on the ASX, it would be necessary to convert those shares of common stock back to CDIs.

As CDI holders will not appear on the Company's register as the legal holders of the underlying common stock, they will not be entitled to vote at a stockholder meeting unless one of the above steps is undertaken. As each CDI represents 1/5 of a share of common stock, if the CDI holder takes one of the steps noted above to allow it to vote at a stockholder meeting, the CDI holder will be entitled to one vote for every five CDIs it holds.

Holders of options, warrants and RSUs are not entitled to vote.

Substantial Shareholders

The information required in relation to the substantial shareholders of the Company is included in this Annual Report at Item 12 of Part III.

Distribution of Common Stock and CDI Holders at July 31, 2021

Below is a distribution schedule of the number of holders of CDIs, categorized by the size of their holdings, based on the Company's registers as at July 31, 2021 (assuming all issued shares of common stock are held as CDIs).

	CDIs	
	Number of Holders	Number of CDIs
1 - 1000	18,715	6,582,309
1,001 - 5,000	6,020	14,063,894
5,001 - 10,000	966	7,194,726
10,001 - 100,000	684	16,845,078
100,001 - and over	88	79,793,313
	26,473	124,479,320

The number of stockholders and/or CDI holders holding less than a marketable parcel of shares of common stock and/or CDIs (where a "marketable parcel" means a parcel of securities worth at least A$500, pursuant to the ASX Operating Rules) was 3,447 based on the closing market price of the Company's common stock and CDIs as of July 31, 2021.

There is no current on-market buy-back of our securities.

Twenty Largest CDI Holders as of July 31, 2021

Below is a statement of the 20 largest holders of CDIs, and the number and percentage of issued CDIs held by those holders, based on the Company's registers as July 31, 2021 (assuming all shares of common stock of the Company are held as CDIs, with 5 CDIs representing a beneficial ownership interest in one share of common stock in the Company).

Rank	Name	Number of CDIs Held (1)		% of CDIs Outstanding
1	Redmile Group, LLC	8,341,635		6.70%
2	The Vanguard Group, Inc.	6,132,985		4.93%
3	Montgomery Investment Management Pty Ltd	5,575,665		4.48%
4	Pura Vida Investments, LLC	4,083,120		3.28%
5	Farallon Capital Management, L.L.C.	4,000,000		3.21%
6	Blackcrane Capital, LLC	3,002,460		2.41%
7	SEI Investments Management Corporation	2,852,265		2.29%
8	State Street Global Advisors (US)	2,252,995		1.81%
9	Michael Perry	1,772,895	(2)	1.42%
10	Norges Bank Investment Management (NBIM)	1,683,705		1.35%
11	UBS Securities Australia Ltd.	1,512,375		1.21%
12	RTW Investments L.P.	1,400,000		1.12%
13	BlackRock Institutional Trust Company, N.A.	1,383,115		1.11%
14	Millennium Management LLC	1,342,905		1.08%
15	Lockheed Martin Investment Management Co.	1,118,030		0.90%
16	Geode Capital Management, L.L.C.	982,860		0.79%
17	Old Mission Capital LLC	718,210		0.58%
18	BlackRock Investment Management (Australia) Ltd.	659,380		0.53%
19	Driehaus Capital Management, LLC	650,000		0.52%
20	Susquehanna International Group, LLP	601,105		0.48%

(1) Including shares of common stock represented as though they are held as CDIs (with 5 CDIs representing a beneficial ownership interest in one share of common stock in the Company).
(2) Includes 631,525 CDIs held by the spouse of Dr. Perry.

General Information

The name of our Secretary is Donna Shiroma.

The Company's ASX liaison officer who is responsible for communications with the ASX is Mark Licciardo.

The complete mailing address, including zip code, of our principal executive office is 28159 Avenue Stanford, Suite 220, Valencia, CA 91355, USA. The telephone number is +1(661) 367-9170.

The address of our registered office in Australia is c/- Mertons Corporate Services Pty Ltd, Level 7, 330 Collins Street, Melbourne VIC 3000, Australia and our telephone number there is +61 3 8689 9997.

Registers of securities are held as follows:

- for CDIs in Australia at Computershare Investor Services Pty Limited, Level 2, 45 St Georges Terrace, Perth WA 6000 Australia, Investor Enquiries +61 8 9323 2000 (within Australia) +61 3 9415 4677 (outside Australia); and
- for common stock in the United States at Computershare Investor Services, 250 Royall Street, Canton, MA 02021 USA, Tel: 866-644-4127.

Application of funds

The Company advises that it has used the cash and assets in a form readily convertible to cash that it had at the time of the Company's admission to the Official List of ASX in a way that is consistent with its business objectives.

Directors' Declaration

As at the date of this annual report, the directors confirm that they are of the opinion that there are reasonable grounds to believe that the members of the "extended closed group" identified in Note 17, being the Company and the Australian Subsidiaries that are party to the deed of cross guarantee that is detailed in Note 17, will be able to meet any liabilities to which they are, or may become, subject, by virtue of the deed of cross guarantee.

Item 13. CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Transactions with Related Persons

The Board is committed to upholding the highest legal and ethical conduct in fulfilling its responsibilities and recognizes that related-party transactions can present a heightened risk of potential or actual conflicts of interest. Accordingly, and as a general matter, it is the Company's preference to avoid related-party transactions.

Our Audit Committee has primary responsibility for reviewing and approving in advance, or ratifying, all related-party transactions. In conformance with SEC regulations, we define related persons to include our executive officers, our directors and nominees to become a director of our company, any person who is known to us to be a beneficial owner of more than 5% of any class of our voting securities, any immediate family member of any of the foregoing persons, and any firm, corporation or other entity in which any of the foregoing persons is employed, is a general partner or in which such a person has a 5% or greater beneficial ownership interest.

We have several processes that we use to ensure that we identify and review all related-party transactions. Firstly, each executive officer is required to notify either our General Counsel of Chief Financial Officer of any potential transaction that could create a conflict of interest, and the General Counsel or Chief Financial Officer is required to notify the Audit Committee of the potential conflict. The directors, Chief Executive Officer, Chief Financial Officer and General Counsel are required to notify the Audit Committee of any potential transaction that could create a conflict of interest. Secondly, each year, we require our directors and executive officers to complete directors' and officers' questionnaires identifying any transactions with us in which the executive officer or director or their family members have an interest. The Audit Committee reviews related party transactions due to the potential for such transactions to create a conflict of interest. A conflict of interest occurs when an individual's private interest interferes, or appears to interfere, with our interests. Our Board or its committees only approve a related party transaction if it is determined that the transaction is in the best interests of shareholders or is at least not inconsistent with those interests.

There were no such reportable relationships or related party transactions during the fiscal year ended June 30, 2021.

Director Independence

Our board of directors has determined that all members of our board of directors, except Dr. Michael Perry, are independent directors for purposes of the rules of NASDAQ and the SEC and for the purposes of the ASX Listing Rules and the ASX Corporate Governance Council's 4th Edition Corporate Governance Principles and Recommendations. In making this determination, our board of directors considered the relationships that each non-executive director has with us and all other facts and circumstances that our board of directors deemed relevant, including the beneficial ownership of our common stock by each non-executive director and Mr. Perry's executive role within the Avita Group.

The composition and functioning of our board of directors and each of our committees complies with all applicable requirements of NASDAQ and the rules and regulations of the SEC as well as the ASX Listing Rules and the ASX Corporate Governance Council's 4th Edition Corporate Governance Principles and Recommendations.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Principal Accounting Fees and Services

Grant Thornton LLP, the U.S. member of Grant Thornton International Ltd, independent registered public accountants have served as our independent public accountant for the period ended June 30, 2021 and 2020. Grant Thornton Audit Pty Ltd, a subsidiary of Grant Thornton Australia Ltd, independent registered public accountants served as our independent public accountant prior to the redomiciliation. The following table sets forth fees billed or accrued by our independent registered public accountants during the fiscal years ended June 30, 2021, and 2020:

	Year Ended June 30,	
	2021	2020
Audit fees - Grant Thornton LLP [1]	$ 1,038,645	$ 265,423
Audit fees - Grant Thornton Audit Pty Ltd [1]	25,845	212,147
Tax fees - Grant Thornton LLP [2]	126,929	90,737
Tax fees - Grant Thornton Audit Pty Ltd [2]	—	20,815
Total fees	$ 1,191,419	$ 589,122

(1) Audit fees consist of fees billed for the professional services rendered by the principal accountant for the audit of the registrant's annual financial statements and review of financial statements included in the registrant's Form 10-Q or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements.

(2) Tax fees include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning.

Pre-Approval Policies and Procedures

The Audit Committee's policy is for the Audit Committee to approve all audit and non-audit services prior to such services being performed by the independent registered public accounting firm. Before engaging an independent registered public accountant firm to render audit or non-audit services, the engagement is approved by our audit committee or the engagement to render services is entered into pursuant to pre-approval policies and procedures established by the audit committee.

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report:

(1) All Financial Statements

See Index to Financial Statements in Part II, Item 8 of this Annual Report.

(2) Financial Statement Schedules

all financial statement schedules have been omitted since the required information was not applicable or was not present in amounts sufficient to require submission of the schedules, or because the information required is included in the financial statements or the accompanying notes.

(3) Exhibits

The exhibits listed in the following Index to Exhibits are filed, furnished or incorporated by reference as part of this Annual Report

EXHIBITS

Exhibit Number	Exhibit Description
2.1	Scheme Implementation Agreement (incorporated by reference to Exhibit 99.2 of Form 6-K of Avita Medical Limited dated April 20, 2020)
3.1	Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the registrant's Form 8-K12B filed on June 30, 2020)
3.2	Certificate of Amendment of Certificate of Incorporation**
3.3	Amended and Restated Bylaws
4.1	Description of Capital Stock (incorporated by reference to the registrant's Form 8-K12B filed on June 30, 2020)
10.1	Employee Incentive Option Plan (incorporated by reference to Exhibit 4.1 of the Form 20-F of Avita Medical Limited filed September 27, 2019)†
10.2	Employee Share Plan (incorporated by reference to Exhibit 4.2 of the Form 20-F of Avita Medical Limited filed September 27, 2019)†
10.3	Award Contract dated September 29, 2015 by and between the registrant and the U.S. Department of Health and Human Services Biomedical Advanced Research and Development Authority (BARDA) (incorporated by reference to Exhibit 4.3 of the Form 20-F of Avita Medical Limited filed September 27, 2019)*
10.4	Award Contract dated September 29, 2015 by and between the registrant and BARDA (incorporated by reference to Exhibit 4.4 of the Form 20-F of Avita Medical Limited filed September 27, 2019) *
10.5	Amendment of Solicitation/Modification of Contract dated June 24, 2016 by and between the registrant and BARDA (incorporated by reference to Exhibit 4.5 of the Form 20-F of Avita Medical Limited filed September 27, 2019) *
10.6	Amendment of Solicitation/Modification of Contract dated September 28, 2017 by and between the registrant and BARDA (incorporated by reference to Exhibit 4.6 of the Form 20-F of Avita Medical Limited filed September 27, 2019) *
10.7	Amendment of Solicitation/Modification of Contract dated July 2, 2018 by and between the registrant and BARDA (incorporated by reference to Exhibit 4.7 of the Form 20-F of Avita Medical Limited filed September 27, 2019) *
10.8	Lease Agreement between the registrant and Hartco Ventura Inc. dated January 25, 2018 (incorporated by reference to Exhibit 4.8 of the Form 20-F of Avita Medical Limited filed September 27, 2019)
10.9	Lease Agreement between the registrant and RIF-Avenue Stanford LLC, dated October 3, 2016, as amended (incorporated by reference to Exhibit 4.9 of the Form 20-F of Avita Medical Limited filed September 27, 2019)

Exhibit Number	Exhibit Description
10.10	Third Amendment to the Lease Agreement between the registrant and RIF III-Avenue Stanford LLC, dated November 17, 2020, as amended) **
10.11	Executive Employment Agreement between the registrant and Dr. Michael Perry, dated November 12, 2019.**
10.12	RSUs – Confirmatory Deed between the registrant and Dr. Michael Perry, dated November 12, 2019. **
10.13	Option Confirmatory Deed between the registrant and Dr. Michael Perry, dated November 12, 2019. **
10.14	Executive Employment Agreement between the registrant and Michael Holder, dated effective March 22, 2021. **
10.15	Executive Employment Agreement between the registrant and Kathy McGee, dated effective December 1, 2020. **
10.16	Executive Employment Agreement between the registrant and Erin Liberto, dated effective August 28, 2017. **
10.17	Executive Employment Agreement between the registrant and Andrew Quick, dated effective April 1, 2019. **
10.18	Executive Employment Agreement between the registrant and Donna Shiroma, dated effective June 25, 2018.**
14.1	Code of Ethics **
21.1	Subsidiaries of the Registrant **
23.1	Consent of Independent Registered Public Accounting Firm**
31.1	Certification of CEO pursuant to Section 302 of The Sarbanes-Oxley Act of 2002 **
31.2	Certification of CFO pursuant to Section 302 of The Sarbanes-Oxley Act of 2002 **
32.1	Certification of CEO and CFO pursuant to Section 906 of The Sarbanes-Oxley Act of 2002**
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

† Management contract or compensation plan or arrangement.
* Certain identified confidential information has been redacted from this exhibit because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.
** Filed herewith

Item 16. Form 10-K Summary

None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AVITA Medical, Inc.
(Registrant)

Date: August 26, 2021

/s/ Dr. Michael Perry
Dr. Michael Perry
Chief Executive Officer (Principal Executive Officer)

Date: August 26, 2021

/s/ Michael Holder
Michael Holder
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/ Dr. Michael Perry Dr. Michael Perry	Chief Executive Officer and Director (Principal Executive Officer)	August 26, 2021
/s/ Michael Holder Michael Holder	Chief Financial Officer (Principal Financial and Accounting Officer)	August 26, 2021
/s/ Lou Panaccio Lou Panaccio	Director	August 26, 2021
/s/ Jeremy Curnock Cook Jeremy Curnock Cook	Director	August 26, 2021
/s/ Louis Drapeau Louis Drapeau	Director	August 26, 2021
/s/ Suzanne Crowe Suzanne Crowe	Director	August 26, 2021
/s/ James Corbett James Corbett	Director	August 26, 2021
/s/ Jan Stern Reed Jan Stern Reed	Director	August 26, 2021

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
AVITA Medical, Inc.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Avita Medical, Inc. (a Delaware corporation) and subsidiaries (the "Company") as of June 30, 2021 and 2020, the related consolidated statements of operations, comprehensive loss, shareholders' equity, and cash flows for each of the three years in the period ended June 30, 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2021, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2020.

Los Angeles, California
August 26, 2021

AVITA MEDICAL, INC.
Consolidated Balance Sheets
(In thousands, except share and per share data)

	As of	
	June 30, 2021	June 30, 2020
ASSETS		
Cash and cash equivalents	$ 110,746	$ 73,639
Accounts receivable, net	3,467	2,076
BARDA receivables	3,936	356
Prepaids and other current assets	1,333	990
Restricted cash	201	201
Inventory	1,647	1,125
Total current assets	121,330	78,387
Plant and equipment, net	1,458	1,363
Operating lease right-of-use assets	1,480	2,347
Intangible assets, net	472	364
Other long-term assets	761	1
Total assets	$ 125,501	$ 82,462
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable and accrued liabilities	$ 3,120	$ 4,333
Accrued wages and fringe benefits	3,321	2,816
Other current liabilities	949	560
Total current liabilities	7,390	7,709
Contract liabilities	1,075	435
Operating lease liabilities, long term	878	1,917
Other long-term liabilities	503	-
Total liabilities	9,846	10,061
Contingencies (Note 10)		
Shareholders' Equity:		
Common stock, $0.0001 par value per share, 200,000,000 shares authorized, 24,895,864 and 21,467,912 shares issued and outstanding at June 30, 2021 and June 30, 2020, respectively	3	3
Preferred stock, $0.0001 par value per share, 10,000,000 shares authorized, no shares issued or outstanding at June 30, 2021 and June 30, 2020	-	-
Additional paid-in capital	328,889	259,165
Accumulated other comprehensive income	8,259	8,146
Accumulated deficit	(221,496)	(194,913)
Total shareholders' equity	115,655	72,401
Total liabilities and shareholders' equity	$ 125,501	$ 82,462

The accompanying notes form part of the consolidated financial statements

AVITA MEDICAL, INC.
Consolidated Statements of Operations
(In thousands, except share and per share data)

	Year Ended June 30,		
	2021	2020	2019
Revenues	$ 29,232	$ 14,263	$ 5,474
Cost of sales	(5,949)	(2,973)	(1,271)
Gross profit	23,283	11,290	4,203
BARDA income	2,055	3,926	5,921
Operating expenses:			
Sales and marketing expenses [1]	(14,660)	(15,706)	(12,549)
General and administrative expenses [1]	(22,400)	(33,025)	(15,099)
Research and development expenses [1]	(14,818)	(9,164)	(8,004)
Total operating expenses	(51,878)	(57,895)	(35,652)
Operating loss	(26,540)	(42,679)	(25,528)
Interest expense	(22)	(33)	(27)
Other income	17	686	332
Loss before income taxes	(26,545)	(42,026)	(25,223)
Income tax benefit/(expense)	(38)	(4)	121
Net loss	$ (26,583)	$ (42,030)	$ (25,102)
Net loss per common share:			
Basic	$ (1.17)	$ (2.07)	$ (1.56)
Diluted	$ (1.17)	$ (2.07)	$ (1.56)
Weighted-average common shares:			
Basic	22,674,313	20,290,966	16,064,588
Diluted	22,674,313	20,290,966	16,064,588

(1) Refer to Note 2 for reclassification of share-based compensation expense.

The accompanying notes form part of the consolidated financial statements

AVITA MEDICAL, INC.
Consolidated Statements of Comprehensive Loss
(In thousands)

	Year ended June 30,		
	2021	2020	2019
Net loss	$ (26,583)	$ (42,030)	$ (25,102)
Foreign currency translation gain/(loss)	113	(38)	101
Comprehensive loss	$ (26,470)	$ (42,068)	$ (25,001)

The accompanying notes form part of the consolidated financial statements

AVITA MEDICAL, INC.
Consolidated Statements of Shareholders' Equity
(In thousands, except shares)

	Common Stock					
	Shares	Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Gain (Loss)	Accumulated Deficit	Total Shareholders' Equity
Balance at June 30, 2018	**12,773,783**	**$ 2**	**$ 133,673**	**$ 8,083**	**$ (127,726)**	**$ 14,032**
Net loss	-	-	-	-	(25,102)	(25,102)
Issuance of common stock under direct placement	5,870,613	1	32,453	-	-	32,454
Issuance costs associated with direct placement	-	-	(2,934)	-	-	(2,934)
Share-based compensation	-	-	1,946	-	-	1,946
Exercise of stock options	68,600	-	335	-	-	335
Translation gain	-	-	-	101	-	101
Balance at June 30, 2019	**18,712,996**	**$ 3**	**$ 165,473**	**$ 8,184**	**$ (152,828)**	**$ 20,832**
Net loss	-	-	-	-	(42,030)	(42,030)
Issuance of common stock under direct placement	2,033,898	-	81,702	-	-	81,702
Issuance costs associated with direct placement	-	-	(5,077)	-	-	(5,077)
Share-based compensation	-	-	16,486	-	-	16,486
Exercise of stock options	99,982	-	474	-	-	474
Vesting of RSU options	605,183	-	-	-	-	-
Issuance of common stock to director in lieu of directors fees	15,853	-	107	-	-	107
Beginning balance adjustment related to the adoption of ASC 842	-	-	-	-	(55)	(55)
Translation loss	-	-	-	(38)	-	(38)
Balance at June 30, 2020	**21,467,912**	**$ 3**	**$ 259,165**	**$ 8,146**	**$ (194,913)**	**$ 72,401**
Net loss	-	-	-	-	(26,583)	(26,583)
Issuance of common stock under direct placement	3,214,250	-	69,106	-	-	69,106
Issuance costs associated with direct placement	-	-	(5,109)	-	-	(5,109)
Share-based compensation	-	-	5,664	-	-	5,664
Exercise of stock options	14,359	-	63	-	-	63
Vesting of restricted stock units	199,343	-	-	-	-	-
Translation gain	-	-	-	113	-	113
Balance at June 30, 2021	**24,895,864**	**$ 3**	**$ 328,889**	**$ 8,259**	**$ (221,496)**	**$ 115,655**

The accompanying notes form part of the consolidated financial statements

AVITA MEDICAL, Inc.
Consolidated Statement of Cash Flows
(in thousands)

	Year Ended June 30,		
	2021	**2020**	**2019**
Cash flow from operating activities:			
Net loss	$ (26,583)	$ (42,030)	$ (25,102)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	715	465	269
Share-based compensation	5,664	16,486	1,946
Non-cash lease expense	591	502	-
Loss on fixed asset disposal	130	259	2
Remeasurement and foreign currency transaction loss	228	7	397
Excess and obsolete inventory related charges	226	84	89
BARDA deferred costs	343	-	-
Contract cost amortization	129	-	-
Provision for doubtful accounts	12	43	6
Issuance of common stock to directors in lieu of directors fees	-	107	-
R&D tax credit benefit	-	-	(129)
Changes in operating assets and liabilities:			
Trade and other receivables	(1,399)	(729)	(1,291)
BARDA receivables	(3,580)	26	1,522
R&D tax credits	-	121	1,742
Prepaids and other current assets	(342)	219	(315)
Inventory	(745)	(468)	17
Operating lease liability	(594)	(476)	-
Other long-term assets	(889)	-	(4)
Accounts payable and accrued expenses	(1,333)	2,308	69
Accrued wages and fringe benefits	493	693	737
Other current liabilities	155	(366)	384
Contract liabilities	640	6	429
Other long-term liabilities	238	(4)	(18)
Net cash used in operations	(25,901)	(22,747)	(19,250)
Cash flows from investing activities:			
Cash paid for property and equipment	(894)	(590)	(1,021)
Cash paid for patent filing fees	(280)	(257)	(206)
Net cash used in investing activities	(1,174)	(847)	(1,227)
Cash flow from financing activities:			
Proceeds from direct placement of common stock	69,106	81,702	32,453
Issuance cost associated with direct placement	(5,109)	(5,077)	(2,934)
Principal repayment of finance lease	(11)	(42)	(62)
Proceeds from exercise of stock options	63	474	252
Net cash provided by financing activities	64,049	77,057	29,709
Effect of foreign exchange rate on cash and restricted cash	133	3	156
Net increase in cash and cash equivalents and restricted cash	37,107	53,466	9,388
Cash and cash equivalents and restricted cash beginning of the period	73,840	20,374	10,986
Cash and cash equivalents and restricted cash end of the period	$ 110,947	$ 73,840	$ 20,374
Supplemental Disclosure of Cash Flow Information			
Cash paid for income taxes	$ 42	$ -	$ -
Cash paid for Interest	$ 3	$ 42	$ 27
Plant and equipment purchases not yet paid	$ 20	$ 85	$ 15

The accompanying notes form part of the consolidated financial statements

AVITA MEDICAL, INC.
Notes to Consolidated Financial Statements

1. The Company

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("**U.S. GAAP**"). These financial statements include the assets, liabilities, revenues and expenses of all wholly-owned subsidiaries.

Nature of the Business

The AVITA group of companies (comprising AVITA Medical, Inc. ("**AVITA**" or the "**Company**") and its subsidiaries, including AVITA Medical Pty Limited, previously known as AVITA Medical Limited, ("**AVITA Medical**")) (collectively, "**AVITA Group**" or "**we**", "**us**", or "**our**") is a commercial-stage regenerative tissue company focused on the treatment of burns, trauma and other acute injuries, together with skin defects like vitiligo. The Company's lead product is the RECELL® System, a device that enables healthcare professionals to produce a suspension of Spray-On Skin™ Cells using a small sample of the patient's own skin. In September 2018, the United States Food & Drug Administration ("**FDA**") granted premarket approval ("**PMA**") to the RECELL System for use in the treatment of acute thermal burns in patients eighteen years and older and pediatric acute full thermal burns in 2021. Following receipt of our PMA, we commenced commercializing the RECELL System in January 2019 in the United States. In addition, the FDA has granted the Company three Investigational Device Exemptions ("**IDEs**") studies which have enabled the Company to initiate pivotal clinical investigational studies to seek expanded FDA (supplementary) PMA of the RECELL System for each of soft tissue reconstruction, pediatric scalds, and vitiligo. Enrollment of those clinical studies is ongoing and, if successful, those studies would enable the Company to commence commercializing the RECELL System in the United States in each of those indications.

In March 2020, the World Health Organization declared the outbreak of a novel strain of the coronavirus ("**COVID-19**") a pandemic. COVID-19 is having, and will likely continue to have, an effect on the Company's business, results of operations, financial condition, and cash flows, and its future impacts remain highly uncertain and unpredictable. The Company has considered the disruptions caused by COVID-19, including lower than forecasted sales, delays to the speed of enrollment in the Company's clinical trials that may, if successful, support commercial approval and new revenues in additional markets, and macroeconomic factors, that may impact its estimates. The Company has assessed the potential impact of COVID-19 on certain accounting matters including, but not limited to, the allowance for doubtful accounts, inventory reserves and return reserves, and impairment considerations for long-lived assets and intangibles, as of June 30, 2021 and through the date of this report. The Company's business and operations have been impacted by COVID-19 as the effects of COVID-19 related travel restrictions have reduced accidents and the incidence of burns and burns admissions. With respect to future operating results, it is not possible at this time to predict, with any degree of precision, the effects of COVID-19. Consequently, actual results for accounting estimates and assumptions, particularly those relating to the recoverability of certain intangible assets and estimates of expected credit losses on accounts receivable could differ from these estimates.

Recent Developments

In July 2020, Biomedical Advanced Research and Development Authority ("**BARDA**") initiated the procurement of the RECELL system valued at $7.6 million as part of the U.S. Department of Health and Human Services emergency response preparedness. As part of the contract the Company delivered 5,614 RECELL system units to BARDA. Units procured by BARDA as part of the emergency response preparedness are maintained and stored by the Company under a vendor-managed inventory arrangement ("VMI") during the term of the contract. In addition to procurement of the product, BARDA has expanded its awarded contract to provide supplemental funding of $1.6 million to support the emergency deployment of the RECELL system for use in mass casualty or other emergency situations. As of June 30, 2021, a total of 5,614 RECELL system units have been delivered into the VMI and accepted by BARDA.

Effective December 2, 2020 (United States time), AVITA Therapeutics, Inc., changed its corporate name to AVITA Medical, Inc. after successfully filing a Certificate of Amendment of Certificate of Incorporation with the Secretary of State of Delaware. The Company's change of name was registered with the Australian Securities and Investments Commission effective as from January 6, 2021. The Company's common stock continues to trade on The NASDAQ Stock Exchange LLC ("**NASDAQ**") under the symbol "RCEL" and its CHESS Depositary Interests ("**CDIs**") continue to trade on the Australian Securities Exchange ("**ASX**") under the ticker symbol, "AVH".

Redomiciliation

On June 29, 2020, a statutory scheme of arrangement under Australian law to effect a redomiciliation of the AVITA Group from Australia to the United States of America was implemented (the "**Redomiciliation**"). The Redomiciliation was approved by shareholders on June 15, 2020 and approved by the Federal Court of Australia on June 22, 2020.

Pursuant to the Redomiciliation, all ordinary shares in AVITA Medical, the former parent company of the AVITA Group, were exchanged for shares of common stock in the Company. As a result, the Company became the sole shareholder of AVITA Medical and the new parent company of the AVITA Group. In conjunction with the Redomiciliation, an implicit consolidation or reverse split on a 1 for 100 basis was implemented whereby shareholders of AVITA Medical received one share of common stock in the Company for every 100 shares held in AVITA Medical.

Under the Redomiciliation, eligible shareholders in AVITA Medical received consideration in the form of:

- five CDIs in the Company for every 100 ordinary shares in AVITA Medical that were held by them; or
- one share of common stock in the Company for every 5 ADS**s** in AVITA Medical that were held by them.

The Company's CDIs are quoted on the ASX under AVITA Medical's previous ASX ticker code, "AVH". The Company's shares of common stock are quoted on NASDAQ under AVITA Medical's previous NASDAQ ticker code, "RCEL". One share of common stock on NASDAQ is equivalent to five CDIs on the ASX.

As a result of the 'implicit consolidation' that occurred under the Redomiciliation, the number of shares of common stock on issue in the Company (as set out in the consolidated financial statements) is less than the number of ordinary shares issued and outstanding in AVITA Medical that was previously set out in the consolidated financial statements of AVITA Medical. All common stock amounts included in these financial statements have been retroactively reduced by a factor of one hundred and all per share amounts have been increased by a factor of one hundred, with the exception of the Company's common stock par value.

As a result of the Redomiciliation, the reporting currency of the AVITA Group has changed from the Australian dollar to the U.S. dollar. In accordance with SEC regulation, SX Rule 320 (e), the impact of the change in the reporting currency was included in a component of other comprehensive income (loss).

2. Summary of Significant Accounting Policies

Reclassification

Certain amounts in the prior period Consolidated Statement of Operations have been reclassified to conform to the presentation of the current period financial statements. These reclassifications had no effect on the previously reported operating expense, loss before taxes, net loss and earnings per share.

After the issuance of the consolidated financial statements for the year ended June 30, 2020, and the quarter ended September 30, 2020, the Company concluded that the presentation of share-based compensation should be reclassified to the functional expense line items consistent with cash compensation in accordance with SAB Topic 14. The Company has determined that such change in presentation of prior period amounts in the Statement of Operations is not material to the consolidated financial statements.

The Company reclassified share-based compensation expense of $16.5 million and $1.9 million to sales and marketing expense, general and administrative expense and research and development expenses as detailed in the table below for the years ended June 30, 2020 and 2019, respectively (in thousands).

	Year-ended June 30, 2020			Year-ended June 30, 2019		
	As previously reported	Amount reclassified	As Reported	As previously reported	Amount reclassified	As Reported
Sales and marketing expense	$ (14,813)	$ (893)	$ (15,706)	$ (12,253)	$ (296)	$ (12,549)
General and administrative expense	(18,135)	(14,890)	(33,025)	(13,581)	(1,518)	(15,099)
Research and development expense	(8,461)	(703)	(9,164)	(7,872)	(132)	(8,004)
Share-based compensation	(16,486)	16,486	-	(1,946)	1,946	-
Total operating expenses	(57,895)	-	(57,895)	(35,652)	-	(35,652)
Operating loss	(42,679)	-	(42,679)	(25,528)		(25,528)
Loss before income taxes	(42,026)	-	(42,026)	(25,223)	-	(25,223)
Net Loss	(42,030)	-	(42,030)	(25,102)	-	(25,102)

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. As a result of the redomiciliation described above, the parent company of the AVITA group changed from AVITA Medical to the Company. All intercompany transactions and balances have been eliminated on consolidation.

Use of Estimates

The preparation of the accompanying consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts (including doubtful accounts, carrying value of long-lived asset, the useful lives of long-lived assets, accounting for income taxes, stock-based compensation and the stand-alone selling price for the BARDA contract) and related disclosures. Estimates have been prepared on the basis of the current and available information. However, actual results could differ from estimated amounts.

Foreign Currency Translation and Foreign Currency Transactions

The financial position and results of operations of the Company's operating non-U.S. subsidiaries are generally determined using the respective local currency as the functional currency of that subsidiary. Assets and liabilities of these subsidiaries are translated at the exchange rate in effect at each period end. Income statement accounts are translated at the average rate of exchange prevailing during the period. Adjustments arising from the use of differing exchange rates from period to period are included in accumulated other comprehensive gain (loss) in shareholders' equity. Gains and losses resulting from foreign currency transactions are included in general and administrative expenses and were a loss of $97,000, $7,000, and $397,000 for the year ended June 30, 2021, 2020 and 2019, respectively.

The Company's non-operating subsidiaries that use the U.S. dollar as their functional currency remeasure monetary assets and liabilities at exchange rates in effect at the end of each period, nonmonetary assets and liabilities at historical rates. Gains and losses resulting from these remeasurements and foreign currency transactions are included in general and administrative expenses. During the year ended June 30, 2021, the Company recorded losses of $131,000. For the years ended June 30, 2020 and 2019 such amounts were not significant.

Comprehensive Income (Loss)

The components of comprehensive income (loss) consist of net income (loss) and changes in foreign currency exchange rate translation. The changes in foreign currency exchange rate translation are excluded from earnings and reported as a component of shareholders' equity. The foreign currency translation adjustment results from those subsidiaries not using the United States dollar as their functional currency since the majority of their economic activities are primarily denominated in their applicable local currency. Accordingly, all assets and liabilities related to these operations are translated at the current exchange rates at the end of each period, whereas revenues and expenses are translated at average exchange rates in effect during the period. The resulting cumulative translation adjustments are recorded directly to the accumulated other comprehensive gain/(loss) account in shareholders' equity.

Revenue Recognition

The Company adopted ASC Topic 606 – *Revenue from Contracts with Customers*, on July 1, 2018. Under Topic 606, the Company recognizes revenue when its customers obtain control of promised goods or services, in an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods or services.
To determine revenue recognition for arrangements that are within the scope of Topic 606, the Company performs the following five steps:

1. Identify the contract with a customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognize revenue when/as performance obligation(s) are satisfied

In order for an arrangement to be considered a contract, it must be probable that the Company will collect the consideration to which it is entitled for goods or services to be transferred. Once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised with each contract, determines whether those are performance obligations and the related transaction price. The Company then recognizes the sale of goods based on the transaction price that is allocated to the respective performance obligation when the performance obligation is satisfied.

The Company's revenue consists primarily of the sale of the RECELL System to hospitals or other treatment centers and to BARDA (collectively, "customers"), predominately in the United States. The Company evaluated the BARDA contract and concluded that a portion of the arrangement, such as the procurement of the RECELL system and the emergency preparedness, represents a transaction with a customer and as such are in the scope of ASC 606. Amounts received from BARDA for the research and development of the Company's product are classified as BARDA income in the consolidated statement of operations and are accounted for under IAS 20. For further details refer to BARDA Income and Receivables below.

Revenues for commercial customers (hospitals and treatment centers) are recognized as control of the product is transferred to customers, at an amount that reflects the consideration expected to be received in exchange for the product. Revenues are recognized net of volume discounts. As such, revenue is recognized only to the extent a significant reversal of revenues is not expected to occur in subsequent periods. For the Company's contracts that have an original duration of one year or less, the Company elected the practical expedient applicable to such contracts and does not consider the time value of money. Further, because of the short duration of these contracts, the Company has not disclosed the transaction price for the remaining performance obligations as of each reporting period or when the Company expects to recognize this revenue. The Company has further applied the practical expedient to exclude sales tax in the transaction price and expense contract fulfilment costs such as commissions and shipping and handling expenses as incurred.

For revenues related to the BARDA contract with-in the scope of ASC 606, the Company identified two performance obligations (i) the procurement of 5,614 RECELL units, (ii) emergency preparedness services. Through this contract the Company promises to procure the product through a vendor management inventory arrangement and to stand ready to provide emergency deployment services related to the product. Emergency preparedness services include procuring necessary storage containers, housing, and maintaining the containers (and product), and providing shipping and handling services in the event of an emergency situation. This stand ready obligation is a series of distinct services that are substantially the same and have the same pattern of transfer to the customer, overtime as services are consumed.

The total transaction price for the portion of the BARDA contract that is with-in the scope of ASC 606, was determined to be $9.2 million. The transaction price was allocated on a stand-alone selling price basis as follows: $7.6 million to the procurement of the RECELL product, which is classified as revenues when recognized in the consolidated statement of operations and $1.6 million to the emergency deployment services which is classified as revenues when recognized in the consolidated statement of operations. The $1.6 million for emergency deployment includes variable consideration which is deemed immaterial to the contract as a whole. The Company estimated the stand-alone selling price of the procurement of the RECELL product based on historical pricing of the Company's product at the initial execution of the contract. The Company estimated the stand-alone selling price of the emergency deployment services performed based on the Company's projected cost of providing the services plus an applicable profit margin as denoted in the contract.

The Company's performance obligations are either satisfied at a point in time or over time as services are provided. The product procurement performance obligation is satisfied at a point in time, upon transfer of control of the product. As such, the related revenue for these performance obligations is recognized at a point in time as revenue within the Company's consolidated statement of operations. In addition to guidance under ASC 606, the Company recognizes revenue from the sales of RECELL product to BARDA

for placement into vaccine stockpiles in accordance with *Securities and Exchange Commission (SEC) Interpretation, Commission Guidance regarding Accounting for Sale of Vaccines and BioTerror Countermeasures to the Federal Government for Placement into the Pediatric Vaccine Stockpile or the Strategic National Stockpile (SNS).* Under this guidance, revenue is recognized when product is placed in the BARDA vendor-managed inventory as control of the product has been transferred to the customer at the time of delivery to the VMI. RECELL units that have been delivered to BARDA have a product replacement obligation at no cost to BARDA due to product's limited shelf-life. The estimated cost of the expired inventory over the term of the contract is recognized on a per unit basis at the time of delivery. The liability is released upon replacement of the product along with a corresponding reduction to inventory. The emergency preparedness services performance obligation is satisfied over time. Revenue for the emergency deployment will be recognized on a straight-line basis during the term of the contract as services are consumed over time. Services recognized are included in sales within the consolidated statement of operations. Contract costs to fulfil the performance obligations are incremental and expected to be recovered are capitalized and amortized on a straight-line basis over the term of the contract. Contract costs are included in other long-term assets.

Contract Liabilities

The Company receives payments from customers based on contractual terms. Trade receivables are recorded when the right to consideration becomes unconditional. The Company satisfies its performance obligation on product sales when the products are shipped or delivered, depending on the terms of the sale. Payment terms on invoiced amounts are typically 30-90 days, and do not include a financing component. Contract liabilities are recorded when the Company receives payment prior to satisfying its obligation to transfer goods to a customer.

Cost of Sales

Cost of sales related to products includes costs to manufacture or purchase, package, and ship the Company's products. Costs also include relevant production overhead and depreciation and amortization. These costs are recognized when control of the product is transferred to the customer and revenue is recognized.

Income Taxes

Income taxes are accounted for using the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income or loss in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that a portion of the deferred tax asset will not be realized. We recognize interest and penalties related to unrecognized tax benefits on the income tax expense line in the accompanying consolidated statement of operations. Accrued interest and penalties are included on the related tax liability line in the consolidated balance sheet.

The Company reviews its uncertain tax positions regularly. An uncertain tax position represents the Company's expected treatment of a tax position taken in a filed return, or planned to be taken in a future tax return or claim that has not been reflected in measuring income tax expense for financial reporting purposes. The Company recognizes the tax benefit from an uncertain tax position when it is more-likely-than-not that the position will be sustained upon examination on the basis of the technical merits or the statute of limitations for the relevant taxing authority to examine and challenge the tax position has expired.

Cash and Cash Equivalents

Consists of cash held at deposit institutions and cash equivalents. Cash equivalents consist of short-term highly liquid investments with original maturities of three months or less from the date of purchase and consist primarily of money market funds. The Company holds cash at deposit institutions in the amount of $54.2 million and $73.6 million of which $273,000 and $466,000 is denominated in foreign currencies in foreign institutions as of June 30, 2021 and 2020, respectively. As of June 30, 2021 and 2020, the Company held cash equivalents in the amount of $56.5 million and $0, respectively.

Restricted Cash

Pursuant to a contractual agreement with American Express to maintain the business credit card, the Company must maintain restricted cash deposits which amounted to approximately $201,000 and $201,000 as of June 30, 2021 and 2020, respectively.

Concentrations

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, trade receivable, BARDA receivables and other receivables. As of June 30, 2021, and 2020, substantially all of the Company's cash was deposited in accounts at financial institutions, and amounts may exceed federally insured limits. Management believes that the Company is not exposed to significant credit risk due to the financial strength of the depository institutions in which its cash is held.

As of June 30, 2021 no single commercial customer accounted for more than 10% of total revenues or net accounts receivable. BARDA revenues for the procurement of the RECELL system accounted for approximately 26% of total revenues. As of June 30, 2020, no single commercial customer accounted for more than 10% of total revenues or net accounts receivable. As of June 30, 2019, one commercial customer accounted for approximately 10.5% of total revenues and three customers accounted for more than 10% of net accounts receivable, each representing approximately 14.6%, 10.3% and 10.1% of total net accounts receivable. BARDA receivables for the procurement of the RECELL system and emergency preparedness accounted for approximately 91% of BARDA receivables. See table below for breakdown of BARDA receivables (in thousands).

	As of June 30, 2021	As of June 30, 2020
BARDA procurement and emergency preparedness services	$ 3,583	$ —
BARDA expense reimbursements	353	356
Total	**$ 3,936**	**$ 356**

Fair Value of Financial Instruments

The carrying values of the Company's financial instruments, consisting of cash and cash equivalents, trade receivables, prepaids and other receivables, accounts payable, accrued liabilities and contract liabilities, approximate fair value due to the relative short-term nature of these instruments.

Accounts Receivable

Accounts receivable are recorded net of customer allowances for doubtful accounts. The Company estimates an allowance for expected credit losses (i.e., the inability of our customers to make required payments). These estimates are based on a combination of past experience and current trends. In estimating the allowance for expected credit losses, consideration is given to the current aging of receivables, a specific review for potential bad debts and an evaluation of historic write-offs. The resulting bad debt expense is included in sales and marketing expenses in the consolidated statement of operations. Receivables are written-off when deemed uncollectible. As of June 30, 2021, and 2020 the allowance for doubtful accounts was $30,000 and $18,000, respectively.

A rollforward of the activity in the Company's allowance for doubtful account is as follows (in thousands):

	June 30,		
	2021	2020	2019
Allowance for doubtful accounts at beginning of year	$ 18	$ 18	$ 17
Bad debt expense	12	43	6
Deductions	-	(43)	(5)
Allowance for doubtful accounts, at end of year	$ 30	$ 18	$ 18

BARDA Income and Receivables

The AVITA Group was awarded a BARDA grant in September 2015. Under this grant BARDA supports the Company's research and development for the Company's product, including the ongoing U.S. clinical regulatory program targeted towards FDA PMA, our compassionate use program, clinical and health economics research, and U.S. pediatric burn programs.

Consideration received under the BARDA grant is earned and recognized under a cost-plus-fixed-fee arrangement in which the Company is reimbursed for direct costs incurred plus allowable indirect costs and a fixed-fee earned. Billings under the contracts are based on approved provisional indirect billing rates, which permit recovery of fringe benefits, general and administrative expenses and a fixed fee.

The Company has concluded that grants under the BARDA grant are not within the scope of ASC 606, as they do not meet the definition of a contract with a "customer." The Company has further concluded that Subtopic 958-605, *Not-for-Profit-Entities-Revenue Recognition* also does not apply, as the Company is a business entity and the grants are with governmental agencies or units. With respect to the BARDA grant, we considered the guidance in IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, by analogy. BARDA income and related receivables are recognized when there is reasonable assurance that the grant will be received, and all attaching conditions have been complied with. When the grant relates to an expense item, the grant received is recognized as income over the period when the expense was incurred.

Inventory

Inventory is valued at the lower of cost or estimated net realizable value and is reflected in cost of sales. Costs incurred in bringing each product to its present location and condition are accounted for at purchase cost on a first-in, first-out basis ("**FIFO**"). The Company capitalizes inventory costs associated with the Company's products when, based on management's judgment, future commercialization is considered probable and the future economic benefit is expected to be realized; otherwise, such costs are expensed as research and development. Inventory is evaluated for impairment periodically to identify inventory obsolescence when an inventory item's cost basis is in excess of its net realizable value. These adjustments are based upon multiple factors, including inventory levels, projected demand, and product shelf life.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs to complete the sale.

Leases

The Company has operating leases for corporate office space, manufacturing and warehouse facility. The Company has finance leases for equipment and furniture, which are not material to the consolidated financial statements. The Company's operating leases have remaining lease terms of one year to three years, some of which include options to renew the lease. At contract inception, the Company determines whether the contract is a lease or contains a lease. A contract contains a lease if the Company is both able to identify an asset and can conclude it has the right to control the identified asset for a period of time. Leases with an initial term of twelve months or less are not recorded on the condensed consolidated balance sheet.

Right of use ("**ROU**") assets represent the Company's right to control an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Company's leases do not provide an explicit rate, the Company used its incremental borrowing rate ("**IBR**") based on the information available at commencement date in determining the discount rate used to present value lease payments. In determining the IBR, the Company considered its credit rating and current market interest rates. The IBR used approximates the interest that the Company would be required to pay for a collateralized loan over a similar term. The Company's leases typically do not include any residual value guarantees or asset retirement obligations.

The Company's lease terms are only for periods in which it has enforceable rights. A lease is no longer enforceable when both the lessee and the lessor each have the right to terminate the lease without permission from the other party with no more than an insignificant penalty. The Company has options to renew some of these leases for three years after their expiration. The Company considers these options, which may be elected at the Company's sole discretion, in determining the lease term on a lease-by-lease basis. Lease expense is recognized on a straight-line basis over the lease term and is primarily included in general and administrative expenses in the accompanying consolidated statements of operations.

The Company has lease agreements with lease and non-lease components, which are accounted for as a single lease component for all underlying asset classes. Some leases require variable payments for common area maintenance, property taxes, parking, insurance and other variable costs. The variable portion of lease payments is not included in operating lease assets or liabilities. Variable lease costs are expensed when incurred.

Property, Plant and Equipment

The Company's property, plant and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation is computed based on the straight-line method over the estimated useful lives of the various asset classes, generally three to seven years. Leasehold improvements are amortized over the shorter of the life of the related asset or the remaining term of the lease. Costs associated with customized internal-use software systems that have reached the application development stage and meet recoverability tests are capitalized and include external direct costs utilized in developing or obtaining the applications and payroll and

payroll-related expenses for employees who are directly associated with the application development. Maintenance and repairs are expensed as incurred.

Intangible Assets

The Company maintains definite-lived intangible assets related to patents initially measured at cost and amortized over estimated useful lives of approximately 3—20 years. The Company had capitalized patent costs of $700,000 and $483,000 as of June 30, 2021 and 2020, respectively, related to regulatory approval of the RECELL System, and are being amortized over their estimated useful lives.

Impairment of Long-Lived Assets

The Company evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the estimated, undiscounted future cash flows is less than the carrying amount of the asset, then an impairment is recognized for the amount by which the carrying value of the asset exceeds its estimated fair value. Fair value is determined using the market, income or cost approaches as appropriate for the asset. Any write-downs are treated as permanent reductions in the carrying amount of the asset and recognized as an operating loss. There were no impairments of long-lived assets in the years ended June 30, 2021, 2020 and 2019.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of compensation and employee benefits of sales and marketing personnel and related sales support teams, marketing events, advertising costs, travel, trade shows and other marketing materials. The Company expenses all selling and marketing costs as incurred. Advertising expense were $73,000, $51,000 and $186,000 for the year ended June 30, 2021, 2020 and 2019, respectively.

Research and Development Expenses

Research and development expenses represent costs incurred to develop the Company's products. Research and development expenses consist primarily of salaries and other personnel costs, clinical trial costs, regulatory costs and manufacturing costs for non-commercial products. The Company expenses all research and development costs in the periods in which they are incurred.

Stock-Based Compensation

The Company records compensation expense for stock options based on the fair market value of the awards on the date of grant. The fair value of stock-based compensation awards is amortized over the vesting period of the award. Compensation expense for performance-based awards is measured based on the number of shares ultimately expected to vest, estimated at each reporting date based on management's expectations regarding the relevant performance criteria, if any. The Black-Scholes option pricing model and Monte Carlo Simulation were used to estimate the fair value of the time-based and performance-based options, respectively. Under ASU 2016-09, *Compensation – Stock Compensation ("ASC 718") Improvements to Employee Share-Based Payment Accounting*, the Company elected to account for forfeitures as they occur.

The following assumptions were used in the valuation of stock options.

- Expected volatility – determined using the average of the historical volatility using daily intervals over the expected term and the derived volatility using the longest term available of 12 months.
- Expected dividends - based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future
- Expected term – the expected term of the Company's stock options for tenure only vesting has been determined utilizing the "simplified" method as described in the SEC's Staff Accounting Bulletin No. 107 relating to stock-based compensation. The simplified method was chosen because the Company has limited historical option exercise experience due to its short operating history of awards granted, the first plan was established in 2016 and was primarily used for Executives awards. Further, the Company does not have sufficient history of exercises in the U.S. market given the recent redomiciliation to the United States in the prior fiscal year. The expected term of options with a performance condition was set to the contractual term of 10 years. The contractual term was used options with performance condition were awarded to C-Suite executives and the Company assumes that they will hold them longer than rank and file executives.

- Risk-free interest rate – the risk-free interest rate is based on the U.S. Treasury yield in effect at the time of grant for a period approximately equal to the expected term of the award.

Loss per Share

Basic net loss per share is computed by dividing net loss by the weighted-average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing net loss by the weighted-average number of common shares outstanding during the period, assuming potentially dilutive ordinary shares from option exercises, employee share awards, and other dilutive instruments that have been issued. For periods where the Company has presented a net loss, potentially dilutive securities are excluded from the computation of diluted net loss per share as they would be anti-dilutive. The loss per share incorporates the impact of the reverse stock split that was effectuated in conjunction with the redomicilation. In accordance with ASC 260, the impact of the reverse stock split was retrospectively applied for all periods presented.

Segment Reporting

Operating segments are defined as components of an enterprise for which separate discrete financial information is available for evaluation by the chief operating decision-maker in making decisions regarding resource allocation and assessing performance. The Company's chief operating decision maker is its Chief Executive Officer. To date, the Company has viewed its operations and manages its business as one segment.

3. Accounting Standards Update

Recent Accounting Pronouncements Not Yet Adopted

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes*, which includes amendments to simplify the accounting for income taxes by removing certain exceptions to the general principles in ASC 740, *Income Taxes*, or ASC 740. The amendments also improve consistent application of and simplify U.S. GAAP for other areas of ASC 740 by clarifying and amending existing guidance. The new guidance is effective for the Company for annual periods beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. Early adoption of the amendments is permitted. The Company is currently evaluating the potential impact that the adoption of ASU 2019-12 will have on its consolidated financial statements.

4. Leases

During November 2020, the Company remeasured the lease liability for an office lease due to a change in the lease term. As a result of the remeasurement of the lease liability, there was a reduction of approximately $563,000 to the operating lease ROU assets and operating lease liabilities. There was no impact on earnings as a result of the modification. In addition to the modification for the office lease, the Company entered into a new lease in November 2020 for additional warehouse space. The new lease resulted in an increase of $236,000 to the operating lease ROU assets and operating lease liabilities.

The following table sets forth the Company's operating lease expenses which are included in general and administrative expenses in the consolidated statements of operations (in thousands):

	Year ended June 30,		
	2021	2020	2019
Operating lease cost	$ 731	$ 701	$ -
Variable lease cost	48	47	-
Total lease cost	$ 779	$ 748	$ -

Supplemental cash flow information related to operating leases was as follows (in thousands):

	Year ended June 30,		
	2021	2020	2019
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash outflows from operating leases	$ 735	$ 675	$ -

Supplemental balance sheet information, related to operating leases was as follows (in thousands):

	As of June 30, 2021	As of June 30, 2020
Reported as:		
Operating lease right-of-use assets	$ 1,480	$ 2,347
Total right-of-use assets	$ 1,480	$ 2,347
Other current liabilities:		
Operating lease liabilities, short-term	$ 702	$ 533
Operating lease liabilities, long term	878	1,917
Total operating lease liabilities	$ 1,580	$ 2,450
Operating lease weighted average remaining lease term (years)	2.67	3.91
Operating lease weighted average discount rate	6.70%	7.50%

As of June 30, 2021, maturities of the Company's operating lease liabilities are as follows (in thousands):

	Operating Leases
2022	$ 784
2023	428
2024	413
2025	105
Total lease payments	$ 1,730
Less imputed interest	(150)
Total operating lease liabilities	$ 1,580

At June 30, 2021, there were no leases entered into that had not yet commenced.

5. Inventory

The composition of inventories is as follows (in thousands):

	June 30, 2021	June 30, 2020
Raw materials	$ 982	$ 947
Work in process	241	—
Finished goods	424	178
Total inventory	$ 1,647	$ 1,125

The Company has reduced the carrying value of its inventories to reflect the lower of cost or net realizable value. Charges for estimated excess and obsolescence are recorded in cost of sales in the consolidated statement of operations and were $226,000, $84,000, and $89,000 for the years ended June 30, 2021, 2020 and 2019, respectively.

6. Intangible Assets

The composition of intangible assets is as follows (in thousands):

		As of June 30, 2021			As of June 30, 2020		
	Weighted Average Life	Gross Amount	Accumulated Amortization	Net Carry Amount	Gross Amount	Accumulated Amortization	Net Carry Amount
Patent 1	3	$ 264	$ (190)	$ 74	$ 235	$ (101)	$ 134
Patent 2	14	138	(16)	122	74	(9)	65
Patent 3	15	163	(19)	144	125	(9)	116
Patent 5	20	46	(2)	44	26	-	26
Patent 6	20	39	(1)	38	-	-	-
Patent 8	20	3	-	3	-	-	-
Trademarks	Indefinite	47	-	47	23	-	23
Total intangible assets		$ 700	$ (228)	$ 472	$ 483	$ (119)	$ 364

During the years ended June 30, 2021 and 2020, the Company did not identify any events or changes in circumstances that indicated the carrying value of its intangibles may not be recoverable. As such, there was no impairment of intangibles assets recognized for the years ended June 30, 2021, 2020 and 2019. Amortization expense of intangibles included in the consolidated statements of operations was $109,000, $119,000 and $0 for the years ended June 30, 2021, 2020 and 2019, respectively.

The Company expects the future amortization of amortizable intangible assets held at June 30, 2021 to be (in thousands):

	Estimated Amortization Expense
2022	$ 89
2023	28
2024	28
2025	28
2026	28
Thereafter	224
Total	**$ 425**

7. Property and Equipment, net

The composition of property and equipment, net is as follows (in thousands):

	Useful Lives	As of June 30, 2021	As of June 30, 2020
Computer equipment	3 years	$ 722	$ 802
Computer software	3 years	775	369
Construction in progress		48	138
Furniture and fixtures	7 years	440	425
Laboratory equipment	5 years	523	194
Leasehold improvements	Lesser of life or lease term	242	216
RECELL Moulds	5 years	129	100
Less: accumulated amortization and depreciation		(1,421)	(881)
Total plant and equipment, net		$ 1,458	$ 1,363

Depreciation expense related to plant and equipment was $606,000, $346,000 and $269,000 for the years ended June 30, 2021, 2020 and 2019, respectively.

8. Prepaids and Other Current Assets and Other Long—Term Assets

Prepaids and other current assets consisted of the following (in thousands):

	As of June 30, 2021	As of June 30, 2020
Prepaid expenses	$ 853	$ 792
Lease deposits	-	123
Other receivables	480	75
Total prepaids and other current assets	$ 1,333	$ 990

Prepaid expenses primarily consist of prepaid benefits and insurance.

Other long-term assets consisted of the following (in thousands):

	As of June 30, 2021	As of June 30, 2020
BARDA contract costs	$ 613	$ —
Long-term lease deposits	126	1
Long-term prepaids	22	—
Total other long-term assets	$ 761	$ 1

9. Reporting Segment and Geographic Information

The Company views its operations and manages its business in one reporting segment. Long-lived assets were primarily located in the United States as of June 30, 2021, and 2020 with an insignificant amount located in Australia and the United Kingdom. Revenue by region for the years ended June 30, 2021, 2020 and 2019 were as follows (in thousands):

	June 30,		
	2021	2020	2019
Revenue:			
United States	$ 28,955	$ 13,800	$ 4,404
Foreign:			
Australia	207	292	806
United Kingdom	70	171	264
Total	$ 29,232	$ 14,263	$ 5,474

Revenue by Customer type for the years ended June 30, 2021, 2020 and 2019 were as follows (in thousands):

	June 30,		
	2021	2020	2019
Revenue:			
Commercial sales	$ 21,483	$ 14,263	$ 5,474
BARDA:			
Product sales	7,595	—	—
Services for emergency preparedness	154	—	—
Total	$ 29,232	$ 14,263	$ 5,474

Cost of sales by Customer type for the years ended June 30, 2021, 2020 and 2019 were as follows (in thousands):

	June 30,		
	2021	2020	2019
Cost of sales			
Commercial cost	$ 3,931	$ 2,973	$ 1,271
BARDA:			
Product cost	1,889	—	—
Emergency preparedness service cost	129	—	—
Total	$ 5,949	$ 2,973	$ 1,271

10. Contingencies

The Company is subject to certain contingencies arising in the ordinary course of business. The Company records accruals for these contingencies to the extent that a loss is both probable and reasonably estimable. If some amount within a range of loss appears to be a better estimate than any other amount within the range, that amount is accrued. Alternatively, when no amount within a range of loss appears to be a better estimate than any other amount, the lowest amount in the range is accrued. The Company expenses legal costs associated with loss contingencies as incurred. As of June 30, 2021, the Company does not have any outstanding or threatened litigation that would have a material impact to the financial statements.

11. Common and Preferred Stock

On June 29, 2020, a statutory scheme of arrangement under Australian law to effect a redomiciliation of the AVITA Group from Australia to the United States of America was implemented ("the Redomiciliation"). The Redomiciliation was approved by shareholders on June 15, 2020 and approved by the Federal Court of Australia on June 22, 2020.

Pursuant to the Redomiciliation, all ordinary shares in AVITA Medical, the former parent company of the AVITA Group, were exchanged for shares of common stock in the Company. As a result, the Company became the sole shareholder of AVITA Medical and the new parent company of the AVITA Group. In conjunction with the Redomiciliation, an implicit consolidation or reverse split on a 1 for 100 basis was implemented whereby shareholders of AVITA Medical received one share of common stock in the Company for every 100 shares held in AVITA Medical.

Under the Redomiciliation, eligible shareholders in AVITA Medical received consideration in the form of:

- five CDIs in the Company for every 100 ordinary shares in AVITA Medical that were held by them; or
- one share of common stock in the Company for every 5 ADS**s** in AVITA Medical that were held by them.

The Company's CDIs are quoted on the ASX under AVITA Medical's previous ASX ticker code, "AVH". The Company's shares of common stock are quoted on NASDAQ under AVITA Medical's previous NASDAQ ticker code, "RCEL". One share of common stock on NASDAQ is equivalent to five CDIs on the ASX.

As a result of the 'implicit consolidation' that occurred under the Redomiciliation, the number of shares of common stock on issue in the Company (as set out in the consolidated financial statements) is less than the number of ordinary shares on issue in AVITA Medical that was previously set out in the consolidated financial statements of AVITA Medical. All common stock amounts included in these financial statements have been retroactively reduced by a factor of one hundred and all per share amounts have been increased by a factor of one hundred, with the exception of the Company's common stock par value.

The Company is authorized to issue 200,000,000 shares of common stock, par value $0.0001 per share, and 10,000,000 shares of preferred stock, par value $0.0001 per share, issuable in one or more series as designated by the Company's board of directors. No other class of capital stock is authorized. As of June 30, 2021, and 2020, 24,895,864 and 21,467,912 shares of common stock, respectively, were issued and outstanding and no shares of preferred stock were outstanding.

On March 1, 2021, the Company issued 3,214,250 shares of common stock at the offering price of $21.50 per share. The gross proceeds from the offering were approximately $69.1 million while the Company incurred $5.1 million in capital issuance expenses. The offering was made pursuant to a shelf registration statement on Form S-3 (File No. 333-249419) that was previously filed with the Securities and Exchange Commission (the "SEC") on October 9, 2020 and declared effective on October 16, 2020. It was also publicly released on the ASX. The final prospectus supplement relating to and describing the terms of the offering was filed with the SEC on February 25, 2021 (in the United States) and released on the ASX on March 1, 2021 (in Australia).

During the year ended June 30, 2020, the AVITA Group raised additional capital via a private placement in the amount of $81.7 million (through our former parent company, AVITA Medical). The Company sold the equivalent of 2,033,898 ordinary shares at an issue price of $40.17 per share for total net proceeds of $76.6 million, after deducting commission and offering expenses. An aggregate of the equivalent of 15,853 ordinary shares were issued to the directors of the Company in lieu of director fees during the year ended June 30, 2020, under the Director Share Plan that was approved in December 2017.

During the year ended June 30, 2019, the AVITA Group completed a series of equity transactions (through our former parent company, AVITA Medical). The second tranche of the June 2018 Placement (defined below) closed on July 27, 2018, raising an aggregate of $2.4 million through the issuance of the equivalent of 650,000 shares at $3.70 per share. During December 2018, AVITA Medical entered into a placement agreement to raise $28.8 million over two tranches. AVITA Medical completed the first tranche on December 10, 2018 and issued the equivalent of 3,100,471 shares at a price of $5.76 per share raising gross proceeds of $17.9 million. The settlement of the second tranche for $10.9 million was approved by the shareholders at an extraordinary meeting held during January 2019. The second tranche closed on January 18, 2019 and raised gross proceeds of $10.9 million through the sale of the equivalent of 1,899,530 shares at the same price as the first tranche, being $5.76 per share. In addition, on January 10, 2019, AVITA Medical completed a Share Purchase Plan under which AVITA Medical offered to existing eligible shareholders the opportunity to purchase shares at a purchase price equivalent to $5.74 per share. As part of the Share Purchase Plan AVITA Medical received gross proceeds of $1.3 million for the issuance of the equivalent of 220,612 shares.

12. Revenue

The Company's revenue consists of sale of the RECELL System to hospitals or other treatment centers and to BARDA (collectively "**customers**"), predominately in the United States. In addition, the Company records service revenue for the emergency preparedness services provided to BARDA.

Performance Obligations

For commercial contracts, we identified the hospital or treatment center as the customer in Step 1 of the ASC 606 5 step model and have determined a contract exists with those customers in Step 1. As these contracts typically have a single performance obligation (i.e. product delivery), no allocation of the transaction price is required in Step 4 of the model. Control of the product is transferred to the customer at a point in time. Specifically, we determined the customer obtains control of the product at point in time at which the goods are either shipped or delivered to our customers' facilities, depending on the terms of the contract. The transaction price is stated within the contract and is therefore fixed consideration. The transaction price does not include the sales tax that are imposed by governmental authorities.

For the contract with BARDA, the Company identified two performance obligations (i) the procurement of 5,614 RECELL units, (ii) emergency preparedness services. The Company's performance obligations are either satisfied at a point in time or over time as services are provided. The product procurement performance obligation is satisfied at a point in time, upon transfer of control of the product. RECELL units that have been delivered to BARDA have a product replacement obligation at no cost to BARDA due to product's limited shelf-life. The estimated cost of the expired inventory over the term of the contract is recognized on a per unit basis at the time of delivery. The liability is released upon replacement of the product along with a corresponding reduction to inventory. The Company has estimated deferred cost of approximately $343,000 and $0 as of June 30, 2021 and 2020, respectively, for the rotation cost of the product. Such amounts are recorded in other current liabilities and other long-term liabilities in the amounts of $77,000 and $266,000, respectively. The emergency preparedness services performance obligation is satisfied over time. Revenue for the emergency deployment will be recognized on a straight-line basis during the term of the contract as services are consumed over time. Services recognized for the year ended June 30, 2021 of $154,000 and are included in sales within the consolidated statement of operations. For the years ended June 30, 2020 and 2019, the Company did not have any service revenue with BARDA. Contract costs to fulfil the performance obligation are incremental and expected to be recovered are capitalized and amortized on a straight-line basis over the term of the contract. As of June 30, 2021 and June 30, 2020 contract costs of $613,000 and $0 are included in other long-term assets, respectively.

Remaining Performance Obligations

Revenues from remaining performance obligations are calculated as the dollar value of the remaining performance obligations on executed contracts. The estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) pursuant to the Company's existing customer agreements is $1.1 million, $435,000 and $429,000 as of June 30, 2021, 2020 and 2019, respectively. Approximately $665,000 of this amount relates to our July 2020 contract with BARDA for the purchase, delivery and storage of RECELL Systems for emergency response preparedness for a period of three years. The Company expects to recognize this amount as services are provided to BARDA. For the remaining balance of $435,000 the

Company expects to recognize revenue upon receiving Japanese Pharmaceuticals and Medical Device Act approval of the RECELL System in Japan. For the contract with BARDA, we recognized $7.6 million of revenue for the RECELL product and $154,000 of service revenue related to the emergency readiness performance obligation during the year ended June 30, 2021. There were no purchases by BARDA during the years ended June 30, 2020 and 2019. We are contracted to manage this inventory of product until the federal government requests shipment or at contract termination on December 31, 2023.

Variable Consideration

The Company evaluates its contracts with customers for forms of variable consideration, which may require an adjustment to the transaction price based on their estimated impact. For commercial customers, revenue from the sale of goods is recognized net of volume discounts. The Company uses the expected value method when estimating variable consideration. Revenue is only recognized to the extent that it is probable that a significant reversal will not occur. Variable consideration under the BARDA contract is not material to the consolidated financial statements.

Volume Discounts — The Company generally provides contracted customers with volume discounts that are explicitly stated in the Company's customer contracts. The RECELL system is sold with respective volume discounts based on aggregated sales over a 12-month period on a customer-by-customer basis. Revenue from these sales is recognized based on the price specified in the contract, net of estimated volume discounts, and net of any sales tax charged. Goods sold are not eligible for return. The Company has determined such discounts are not distinct from the Company's sale of products to the customer and, therefore, these payments have been recorded as a reduction of revenue and as a reduction to accounts receivable, net.

Contract Assets and Contract Liabilities

Contract assets include amounts related to the Company's contractual right to consideration for both completed and partially completed performance for which the Company does not have the right to payment. As of the period ended June 30, 2021 and 2020, the Company does not have any contract assets.

Contract liabilities are recorded when the Company receives payment prior to satisfying its obligation to transfer goods to a customer. The Company had $1.1 million, $435,000 and $429,000 of contract liabilities as of June 30, 2021, 2020 and 2019, respectively. The increase in contract liability primarily relates to the unsatisfied performance obligation for emergency preparedness under the BARDA contract. Performance obligation will be recognized over time over the term of the contract. For the years ended June 30, 2021 and 2020, revenue recognized from amounts included in the beginning balance of contract liabilities was not significant.

Cost to Obtain and Fulfill a Contract

Contract fulfillment costs include commissions and shipping expenses. The Company has opted to immediately expense the incremental cost of obtaining a contract when the underlying related asset would have been amortized over one year or less. The Company generally does not incur costs to obtain new contracts.

Contract Costs

Cost to fulfil the BARDA emergency preparedness performance obligation, which primarily consist of billed costs to BARDA incurred in connection with the emergency deployment services, are incremental and expected to be recovered. Costs are capitalized and amortized on a straight-line basis over the term of the contract. As of June 30, 2021 and 2020, the Company had $613,000 and $0 of contracts costs included in other long-term assets. Amortization expense related to deferred contract costs were $129,000 , $0, and $0 during year ended June 30, 2021, 2020 and 2019, respectively, and are classified as cost of sales on the accompanying consolidated Statements of Operations. There was no impairment loss in relation to deferred contract costs during year ended June 30, 2021.

Disaggregated Revenue

The Company disaggregates revenue from contracts with customers into geographical regions and by customer type. As noted in the segment footnote, the Company's business consists of one reporting segment. A reconciliation of disaggregated revenue by geographical region and customer type is provided in Segment Note 9.

13. Share-Based Payment Plans

Overview of Employee Share-Based Compensation Plans

In November 2014, our former parent company, AVITA Medical, adopted the Employee Share Plan and the Incentive Option Plan (collectively, the "**2016 Plans**"). Upon completion of the Redomiciliation, the 2016 Plans were terminated with respect to future grants and accordingly, there are no more shares available to be issued under the 2016 Plans. In addition, upon completion of the Redomiciliation, the Company had an implicit consolidation or reverse stock split of 100-1 and all share information presented below has been presented on a reverse split stock basis. During November 2020, the Company, pursuant to Rule 416 under the Securities Act of 1933, filed a registration statement on form S-8 to register a total of 1,750,000 shares of common stock which may be issued pursuant to the terms of the Company's 2020 Omnibus Incentive Plan ("**2020 Plan**").

The 2020 Plan provides for the grant of the following Grants: (a) Incentive Stock Options, (b) Nonstatutory Stock Options, (c) Stock Appreciation Rights, (d) Restricted Stock Grants, (e) Restricted Stock Unit Grants, (f) Performance Grants, and (g) Other Grants. The 2020 Plan will be administered by the Compensation Committee or by the Board acting as the Compensation Committee. Subject to the general purposes, terms and conditions of the 2020 Plan, Applicable Law and any charter adopted by the Board governing the actions of the Compensation Committee, the Compensation Committee will have full power to implement and carry out the 2020 Plan. Without limitation, the Compensation Committee will have the authority to, interpret the plan, approve persons to receive grants, determine the terms and number of shares of the grants, determine vesting and exercisability of grants, and make all other determinations necessary or advisable in connection with the administration of this Plan.

The contractual term of awards granted under the 2020 Plan is ten years from the date of its grant. Unless otherwise specified, the vesting period of awards under the 2020 Plan was: (i) vest over a four year period in four equal installments, 25% at the end of each year from the date of grant, and /or (ii) subject to other performance criteria and hurdles, as determined by the Compensation Committee.

The following table summarizes information about the Company's share-based award plans as of June 30, 2021:

	Outstanding Options	Outstanding Restricted Stock Units	Shares available for future issuance
2016 Plan	1,058,295	-	-
RSU Awards	-	95,014	-
2020 Plan	435,200	5,000	1,309,800

Share-Based Payment Expenses

Share-based payment transactions are recognized as compensation expense based on the fair value of the instrument on the date of grant. The Company uses the graded-vesting method to recognize compensation expense. Compensation cost is reduced for forfeitures as they occur in accordance with ASU 2016-09, Simplifying the Accounting for Share-Based Payments ("ASU 2016-09"). During the years ended June 30, 2021, 2020 and 2019, the Company recorded share-based compensation expense of $5.7 million, $16.5 million, and $1.9 million, respectively. No income tax benefit was recognized in the consolidated statement of operations for share-based payment arrangements for June 30, 2021, 2020 and 2019.

The Company has included share-based compensation expense as part of operating expenses in the accompanying consolidated statements of operations as follows (in thousands):

	Year ended June 30,		
	2021	2020	2019
Sales and marketing expenses	$ 925	$ 893	$ 296
General and administrative expenses	4,095	14,890	1,518
Research and development expenses	644	703	132
Total	$ 5,664	$ 16,486	$ 1,946

A summary of share option activity as of June 30, 2021 and changes during the year then ended is presented below:

	Service Only Share Options	Performance Based Share Options	Total Share Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding shares at June 30, 2020	904,353	356,171	1,260,524	$ 14.72	8.42	$ 22,185,034
Granted	229,500	207,500	437,000	21.37		
Exercised	(13,859)	(500)	(14,359)	7.77		
Expired	(20,690)	(45,002)	(65,692)	36.44		
Forfeited	(101,478)	(22,500)	(123,978)	29.45		
Outstanding shares at June 30, 2021	997,826	495,669	1,493,495	14.53	7.99	12,233,949
Exercisable at June 30, 2021	449,599	283,769	733,368	$ 8.97	7.06	$ 9,412,064

The weighted-average grant-date fair value of options granted during the years 2021, 2020, and 2019 was $14.08, $26.56, and $6.67, respectively. The total intrinsic value of options exercised during the years ended June 30, 2021, 2020 and 2019 was $221,000, $3.1 million, and $1.7 million, respectively. Intrinsic value is measured using the fair market value at the date of exercise for options exercised, or at June 30 for outstanding options, less the applicable exercise price.

Cash received from the exercise of options was approximately $63,000 and $474,000 and $252,000 for the year ended June 30, 2021, 2020 and 2019, respectively.

As of June 30, 2021, there was approximately $7.0 million of total unrecognized compensation cost related to share-based compensation expense. Of this amount $4.5 million relates to service only share options to be recognized over a weighted average period of 1.57 years and $2.5 million related to performance-based share options to be recognized over a weighted average period of 2.14 years.

Option Pricing Model

The Company estimates the fair value of tenure-based share options using the Black-Scholes option pricing model on the date of grant. The Company estimates the fair value of options with a performance condition using the Monte-Carlo simulation model.

The valuation of the options is affected by the Company's share price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, expected share price volatility over the term of the awards and actual and projected employee share option exercise behaviors. The risk-free rate is based on the U.S. Treasury rate for the expected life at the time of grant, volatility is based on the average historical and implied volatility and the expected life is based on the estimated average of the life of options using the simplified method as prescribed by SAB 107. The Company utilizes the simplified method to determine the expected life of the options due to insufficient exercise activity during recent years. The expected dividend assumption is based on the Company’s history and expectation of dividend payouts.

Included in the following table is a summary of the grant-date fair value of share options granted and the related assumptions used in the Black-Scholes Option pricing model and Monte-Carlo simulation in fiscal year 2021 and the Binomial models for share options granted in 2020, and 2019.

	Year Ended June 30,		
	2021	2020	2019
Expected volatility	65% - 80%	75% - 90%	90%
Weighted-average volatility	73%	88%	90%
Expected dividends	0%	0%	0%
Expected term (in years)	5 - 10	10	10
Risk-free interest rate	0.77% - 1.64%	0.68% - 2.65%	1.50% - 2.65%

Restricted Stock Units

Restricted stock units ("**RSUs**") are granted to executives as part of their long-term incentive compensation. RSUs granted prior to the current year and under the 2020 Plan, arise out of contracts between the Company and the holders of such securities. These RSU awards were approved by the Compensation Committee as determined necessary. They have a contractual term of 10 years and vest in accordance with the tenure or performance conditions as determined by the Compensation Committee. The grant date fair value is determined based on the price of the Company stock price on the date of grant (stock price determined on NASDAQ post redomiciliation and ASX prior to the redomiciliation). RSUs primarily consist of awards to the CEO and other executives. The CEO RSU awards are described below:

CEO RSUs

On November 30, 2017, the equivalent of 500,000 RSUs were issued to the CEO. As of June 30, 2020, 83,333 of these RSUs with a performance condition of procurement of the RECELL system to BARDA were outstanding. This performance condition was satisfied during the year and awards were released to the CEO. As of June 30, 2021, no grants remain outstanding for this award date.

On November 2019,the equivalent of 395,542 RSUs were issued to the CEO with the following vesting terms:

a) Tenure – the equivalent of 142,521 RSUs with a vesting period of three-years commencing on June 1, 2020.

b) Milestone performance – 253,021 of the RSUs will vest upon satisfaction of the following milestones:

   a. First patient visit for treatment in an FDA approved U.S. soft tissue and trauma trial by the Company prior to March 3, 2020. – Performance criteria was satisfied in the prior year

   b. First patient visit for treatment in an FDA approved U.S pediatric trial by the Company prior to June 30, 2020. – Performance criteria was satisfied in the prior year

   c. First patient visit for treatment in an FDA approved U.S pilot vitiligo trial by the Company prior to September 30, 2020. - Performance criteria was satisfied in the current year and award appropriately released.

   d. FDA application submission for approval of the next generation RECELL device prior to June 30, 2021. – Satisfaction of the performance criteria is pending ratification by the Compensation Committee once this is approved by the Compensation Committee the awards will be released to the CEO.

   e. FDA approval of the next generation RECELL device prior to June 30, 2022. – Performance criteria has been assessed as not probable.

As of June 30, 2021, a total of 47,507 tenure based RSU awards and 47,507 performance based RSU awards from the above CEO November 2019 grant date remain outstanding.

A summary of the status of the Company's unvested RSUs as of June 30, 2021, and changes that occurred during the year is presented below:

Unvested Shares	Service Condition RSU	Performance Condition RSU	Total RSU's	Weighted Average Grant Date Fair Value per Unit
Unvested RSUs outstanding at June 30, 2020	95,013	244,346	339,359	$ 30.70
Granted	-	5,000	5,000	22.65
Vested	(47,506)	(151,837)	(199,343)	24.62
Forfeited	-	(45,002)	(45,002)	40.04
Unvested RSUs outstanding at June 30, 2021	47,507	52,507	100,014	$ 38.17

The weighted-average grant-date fair value of the RSUs granted during 2021, 2020 and 2019 was $22.65, $39.12 and $0 per unit, respectively. The total fair value of shares vested during the years ended June 30, 2020, 2019 and 2018 was $4.9 million, $9.2, and $0, respectively.

As of June 30, 2021, there was $1.6 million of total unrecognized compensation cost related to unvested share-based compensation arrangements granted under the RSU award agreements. This amount includes $926,000 for performance share awards that have been determined to be not probable. The associated expense will be recognized if the performance conditions is determined

to be probable. The remaining unrecognized expense of $722,000 is expected to be recognized over a weighted average period of 0.87 years .

14. Income Taxes

Geographic sources of income (loss) from continuing operations before income taxes are as follows:

(amounts in thousands)	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019
United States	$ (26,478)	$ (20,793)	$ (19,899)
Foreign	(67)	(21,233)	(5,324)
Income (loss) from continuing operations before income taxes	$ (26,545)	$ (42,026)	$ (25,223)

The income tax benefit (expense) as shown in the accompanying consolidated statements of operations includes the following:

(amounts in thousands)	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019
Current:			
Federal	$ —	$ —	$ —
State	38	4	—
Foreign	—	—	(121)
	38	4	(121)
Deferred:			
Federal	—	—	—
State	—	—	—
Foreign	—	—	—
	—	—	—
Total Income Tax Expense (Benefit)	$ 38	$ 4	$ (121)

The provision for income taxes differs from the tax computed using the statutory United States federal income tax rate of 21%, 21% and 21% for June 30, 2021,2020, and 2019 as a result of the following items:

(amounts in thousands)	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019
Tax expense (benefit) at U.S. statutory rate	$ (5,574)	$ (8,827)	$ (5,297)
State income taxes	36	4	—
Foreign rate differential	(5)	(1,389)	(299)
Tax Credits	—	—	(121)
Share-based compensation	(27)	(3,794)	535
Permanent differences	233	669	84
Change in tax rate	—	—	—
Net change in valuation allowance	5,375	13,341	4,977
Income tax expense (benefit)	$ 38	$ 4	$ (121)

A summary of deferred income tax assets is as follows (in thousands):

	Year Ended June 30, 2021	Year Ended June 30, 2020
Deferred tax liabilities		
ROU Asset	$ (389)	$ (608)
Property, plant and equipment	(5)	
Total deferred tax liabilities	$ (394)	$ (608)
Deferred tax assets		
Property, plant and equipment	$ —	$ 17
Accrued expenses	686	564
Intangible assets	262	255
Stock based compensation	3,215	2,996
Lease liability	415	634
Net operating loss carryforward	44,282	37,756
Other	609	285
Total deferred tax assets	$ 49,469	$ 42,507
Less valuation allowance	(49,075)	(41,899)
Net deferred tax assets	$ 394	$ 608
Net deferred tax assets / (liabilities)	$ —	$ —

At June 30, 2021, the Company and its subsidiaries had net operating loss carryforwards for federal, state, United Kingdom, and Australia income tax purposes of $111.8 million, $66.5 million, $32.8 million and $38.2 million respectively. The net operating loss carryforwards may be subject to limitation regarding their utilization against taxable income in future periods due to “change of ownership” provisions of the Internal Revenue Code and similar state and foreign provisions. Of these carryforwards, $21.7 million will expire, if not utilized, between 2026 through 2038. The remaining carryforwards have no expiration.

In assessing the recoverability of its deferred tax assets, the Company considers whether it is more likely than not that its deferred assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income in those periods in which temporary differences become deductible and/or net operating losses can be utilized. The Company considers all positive and negative evidence when determining the amount of the net deferred tax assets that are more likely than not to be realized. This evidence includes, but is not limited to, historical earnings, scheduled reversal of taxable temporary differences, tax planning strategies and projected future taxable income. Based upon the weight of available evidence including the uncertainty regarding the Company’s ability to utilize certain net operating losses and tax credits in the future, the Company has established a valuation allowance against its net deferred tax assets of $49.1 million and $41.9 million as of June 30, 2021 and 2020, respectively. The deferred tax assets are primarily net operating loss carryforwards for which management has determined it is more likely than not that the deferred tax assets will not be realized.

The Company recognizes the tax benefit from an uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements related to a particular tax position are measured based on the largest benefit that has a greater than a 50% likelihood of being realized upon settlement. The amount of unrecognized tax benefits is adjusted as appropriate for changes in facts and circumstances, such as significant amendments to existing tax law, new regulations or interpretations by the taxing authorities, new information obtained during a tax examination, or resolution of an examination.

The Company has not identified any uncertain tax positions as of June 30, 2021 or June 30, 2020.

The Company files income tax returns in the U.S. federal, California and certain other state and foreign jurisdictions. The Company remains subject to income tax examinations for its U.S. federal and state income taxes generally for fiscal years ended June 30, 2006 and forward. The Company also remains subject to income tax examinations for international income taxes for fiscal years ended June 30, 2017 through June 30, 2020, and for certain other U.S. state and local income taxes generally for the fiscal years ended June 30, 2017 through June 30, 2020.

The Tax Cuts and Jobs Act (“**the Tax Act**”) was enacted on December 22, 2017 and reduced U.S. corporate income tax rates to 21% as of January 1, 2018. The rate change became effective during tax year June 30, 2018, resulting in a blended statutory tax rate of 28% and a decrease in the Company’s deferred tax assets and the associated valuation allowance in tax year June 30, 2018.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("**CARES Act**") was enacted in the United States. The CARES Act provides numerous tax provisions and other stimulus measures, including temporary changes regarding the prior and future utilization of net operating losses and technical corrections from prior tax legislation for tax depreciation of certain qualified improvement property. The Company evaluated the provisions of the CARES Act and does not anticipate the associated impacts, if any, will have a material effect on our financial position.

On December 27, 2020, the Consolidated Appropriations Act, 2021 (CAA 2021) was signed into law which included a number of provisions including, but not limited to the extension of numerous CARES Act provisions such as employment tax credits and enhanced business meals deductions. Accordingly, the effects of the CCA have been incorporated into the income tax provision computation for the year ended June 30, 2021. These provisions did not have a material impact on the income tax provision.

15. Loss per Share

The following is a reconciliation of the basic and diluted loss per share computations:

	Year Ended June 30,		
	2021	2020	2019
	(in thousands, except per share amounts)		
Net Loss	$ 26,583	$ 42,030	$ 25,102
Weighted-average common shares—outstanding, basic	22,674	20,291	16,065
Weighted-average common shares—outstanding, diluted	22,674	20,291	16,065
Net loss per common share, basic	$ 1.17	$ 2.07	$ 1.56
Net loss per common share, diluted	$ 1.17	$ 2.07	$ 1.56

The Company's basic net loss per share is calculated by dividing the net loss by the weighted-average number of shares of common stock outstanding for the relevant period. For the purposes of the calculation of diluted net loss per share options to purchase common stock, restricted stock units and unvested shares of common stock issued upon the early exercise of stock options have been excluded from the calculation of diluted net loss per share as their effect is anti-dilutive. Because the Company has reported a net loss for the years ended June 30, 2021, 2020 and 2019, diluted net loss per common share is the same as the basic net loss per share for those years.

16. Retirement Plans

The Company offers a 401(k)-retirement savings plan (the "**401(k) Plan**") for its employees, including its executive officers, who satisfy certain eligibility requirements. The Internal Revenue Code of 1986, as amended, allows eligible employees to defer a portion of their compensation, within prescribed limits, on a pre-tax basis through contributions to the 401(k) Plan. The Company matches contributions to the 401(k) Plan based on the amount of salary deferral contributions the participant makes to the 401(k) Plan. The Company will match up to 6% of an employee's compensation that the employee contributes to his or her 401(k) Plan account. Total Company matching contributions to the 401(k) Plan were $733,000, $713,000 and $ 594,000 in the years ended June 30, 2021, 2020 and 2019, respectively.

17. Deed of Cross Guarantee

The Company (as the parent entity of the AVITA Group) is party to a deed of cross guarantee dated June 29, 2020 ("**Deed**") with each of its Australian wholly-owned subsidiaries, namely:

- AVITA Medical Pty Ltd (ACN 058 466 523;
- C3 Operations Pty Ltd (ACN 090 161 505);
- Visiomed Group Pty Ltd (ACN 003 010 580); and
- Infamed Pty Limited (ACN 084 800 653),

(together, the "**Australian Subsidiaries**").

The Company and the Australian Subsidiaries were the only parties to the Deed at June 30, 2021 and comprise the "closed group" for the purposes of the Deed (and also the "extended closed group"). No parties were added to or removed from the Deed, or subject to a notice of disposal, during or since the financial year ended June 30, 2021. Since June 30, 2021, there has been no change in ownership of any of the Australian Subsidiaries.

By entering into the Deed, the Company and the Australian Subsidiaries have guaranteed the debts of each other.

Relief under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785

By entering into the Deed, the Australian Subsidiaries have been relieved from the requirement to prepare a financial report and directors' report for the financial year ended June 30, 2021 under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*.

Consolidated financial information of parties to the Deed

The financial statements below are additional disclosure items specifically required by the Australian Securities and Investments Commission and represent the consolidated financial statements of the entities that are party to the Deed only (being the 'closed group' and also the 'extended closed group' under the Deed).

(in thousands)	**Year Ended June 30, 2021**
Revenues	$ 380
Cost of sales	(75)
Gross profit	305
Operating Expenses:	
Sales and marketing expenses	(208)
General and administrative expenses	(182)
Product development expense	1
Total operating expenses	(389)
Other Income	3
Net loss	$ (81)

(in thousands)	**As of June 30, 2021**
ASSETS	
Cash	$ 223
Accounts receivable, net	5
Prepaids and other current assets	2,312
Inventory	32
Total assets	2,572
LIABILITIES AND STOCKHOLDERS' EQUITY	
Accounts payable and accrued liabilities	12
Accrued wages and fringe benefits	84
Other current liabilities	2,455
Total liabilities	2,551
Contributed equity	232,747
Reserves	31,803
Accumulated deficit	(264,529)
Total stockholders' equity (deficit)	21
Total liabilities and stockholders' equity (deficit)	$ 2,572

18. Quarterly Results (Unaudited)

(in thousands, except per share data)	Quarter ended			
	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021
Revenues	$ 5,060	$ 5,103	$ 8,765	$ 10,304
Cost of sales	(929)	(821)	(2,146)	(2,053)
Gross profit	4,131	4,282	6,619	8,251
BARDA income	596	449	570	440
Operating Expenses:				
Sales and marketing expenses [1]	(3,265)	(3,600)	(3,649)	(4,146)
General and administrative expenses [1]	(8,302)	(3,401)	(5,422)	(5,275)
Research and development expenses [1]	(3,374)	(3,361)	(4,109)	(3,974)
Total operating expenses	(14,941)	(10,362)	(13,180)	(13,395)
Operating loss	(10,214)	(5,631)	(5,991)	(4,704)
Interest expense	(7)	(3)	(3)	(9)
Other income/(expense)	4	4	7	2
Loss before income taxes	(10,217)	(5,630)	(5,987)	(4,711)
Income tax benefit (expense)	(10)	(11)	(10)	(7)
Net loss	$ (10,227)	$ (5,641)	$ (5,997)	$ (4,718)
Net loss per common share:				
Basic	$ (0.48)	$ (0.26)	$ (0.26)	$ (0.19)
Diluted	$ (0.48)	$ (0.26)	$ (0.26)	$ (0.19)
Weighted-average common shares:				
Basic	21,503,643	21,623,509	22,734,335	24,860,738
Diluted	21,503,643	21,623,509	22,734,335	24,860,738

(in thousands, except per share data)	Quarter ended			
	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020
Revenues	$ 3,250	$ 3,259	$ 3,877	$ 3,877
Cost of sales	(619)	(846)	(634)	(874)
Gross profit	2,631	2,413	3,243	3,003
BARDA income	2,051	386	1,008	481
Operating Expenses:				
Sales and marketing expenses [1]	(3,099)	(3,972)	(4,375)	(4,260)
General and administrative expenses [1]	(3,422)	(7,107)	(12,787)	(9,709)
Research and development expenses [1]	(1,819)	(2,312)	(2,495)	(2,538)
Total operating expenses	(8,340)	(13,391)	(19,657)	(16,507)
Operating loss	(3,658)	(10,592)	(15,406)	(13,023)
Interest expense	(11)	(9)	(5)	(8)
Other income/(expense)	103	99	363	121
Loss before income taxes	(3,566)	(10,502)	(15,048)	(12,910)
Income tax benefit (expense)	0	0	0	(4)
Net loss	$ (3,566)	$ (10,502)	$ (15,048)	$ (12,914)
Net loss per common share:				
Basic	$ (0.19)	$ (0.53)	$ (0.71)	$ (0.60)
Diluted	$ (0.19)	$ (0.53)	$ (0.71)	$ (0.60)
Weighted-average common shares:				
Basic	18,719,857	19,877,676	21,215,246	21,372,892
Diluted	18,719,857	19,877,676	21,215,246	21,372,892

(1) After the issuance of the consolidated financial statements for the year ended June 30, 2020, and the quarter ended September 30, 2020, the Company concluded that the presentation of share-based compensation should be reclassified to the functional expense line items consistent with cash compensation in accordance with SAB Topic 14. The Company has determined that

such change in presentation of prior period amounts in the Statement of Operations is not material to the consolidated financial statements. The following amounts have been reclassified in each of the quarters.

	Quarter-ended September 30, 2019			Quarter-ended December 31, 2019			Quarter-ended March 31, 2020		
(in thousands)	As previously reported	Amount reclassified	As Reported	As previously reported	Amount reclassified	As Reported	As previously reported	Amount reclassified	As Reported
Sales and marketing expense	$ (2,962)	$ (137)	$ (3,099)	$ (3,738)	$ (234)	$ (3,972)	$ (4,162)	$ (213)	$ (4,375)
General and administrative expense	(3,071)	(351)	(3,422)	(4,558)	(2,549)	(7,107)	(4,145)	(8,642)	(12,787)
Research and development expense	(1,635)	(184)	(1,819)	(2,192)	(120)	(2,312)	(2,302)	(193)	(2,495)
Share-based compensation	(672)	672	-	(2,903)	2,903	-	(9,048)	9,048	-
Total operating expenses	(8,340)	-	(8,340)	(13,391)	-	(13,391)	(19,657)	-	(19,657)
Operating loss	(3,658)	-	(3,658)	(10,592)	-	(10,592)	(15,406)	-	(15,406)
Loss before income taxes	(3,566)	-	(3,566)	(10,502)	-	(10,502)	(15,048)	-	(15,048)
Net Loss	(3,566)	-	(3,566)	(10,502)	-	(10,502)	(15,048)	-	(15,048)

	Quarter-ended June 30, 2020			Quarter-ended September 30, 2020		
(in thousands)	As previously reported	Amount reclassified	As Reported	As previously reported	Amount reclassified	As Reported
Sales and marketing expense	$ (3,951)	$ (309)	$ (4,260)	$ (2,935)	$ (330)	$ (3,265)
General and administrative expense	(6,361)	(3,348)	(9,709)	(5,536)	(2,766)	(8,302)
Research and development expense	(2,332)	(206)	(2,538)	(3,204)	(170)	(3,374)
Share-based compensation	(3,863)	3,863	-	(3,266)	3,266	-
Total operating expenses	(16,507)	-	(16,507)	(14,941)	-	(14,941)
Operating loss	(13,023)	-	(13,023)	(10,214)	-	(10,214)
Loss before income taxes	(12,910)	-	(12,910)	(10,217)	-	(10,217)
Net Loss	(12,914)	-	(12,914)	(10,227)	-	(10,227)

19. Subsequent Events

The Company has considered all events occurring subsequent to June 30, 2021 and has concluded that all significant events have been disclosed in the financial statements and accompanying notes.

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "AVITA THERAPEUTICS, INC.", CHANGING ITS NAME FROM "AVITA THERAPEUTICS, INC." TO "AVITA MEDICAL, INC.", FILED IN THIS OFFICE ON THE SECOND DAY OF DECEMBER, A.D. 2020, AT 8:40 O`CLOCK A.M.

Jeffrey W. Bullock, Secretary of State

7906862 8100
SR# 20208532389

Authentication: 204206702
Date: 12-02-20

You may verify this certificate online at corp.delaware.gov/authver.shtml

AVITA THERAPEUTICS, INC.

CERTIFICATE OF AMENDMENTOF
CERTIFICATE OF INCORPORATION

State of Delaware Secretary of State Division of Corporations
Delivered 08:40 AM 12/02/2020FILED 08:40AM 12/02/2020
SR 20208532389 - File Number 7906862

Avita Therapeutics, Inc. (the **"Corporation"),** a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "DGCL"), for the purpose of amending its Certificate of Incorporation, hereby certifies as follows:

FIRST: That by resolution of the Board of Directors of the Corporation setting forth a proposed amendment of the Certificate of Incorporation of the Corporation, the Board of Directors declared said amendment to be advisable and authorized, approved and adopted said amendment. The resolution setting forth the proposed amendment is as follows:

NOW, THEREFORE, BE IT RESOLVED, that Section 1.01 of Article 1 of the Certificate of Incorporation shall be amended in its entirety to read as follows:

"SECTION 1.01 Name. The name of the Corporation is **"AVITA** Medical, Inc." (the "Corporation")."

SECOND: That said amendment of the Certificate of Incorporation of the Corporation herein certified was duly adopted pursuant to the provisions of Section 242 of the DGCL.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be executed on this 25th day of November, 2020.

AVITA THERAPEUTICS, INC.

By: _____
Name: Donna Shiroma
Title: Corporate Secretary

Exhibit 10.10

THIRD AMENDMENT TO LEASE

THIS THIRD AMENDMENT TO LEASE AGREEMENT (the "**Amendment**") is entered into as of the 17th day of November, 2020, by and between RIF III – Avenue Stanford, LLC, a California limited liability company ("**Landlord**") and Avita Medical Americas, LLC, a Delaware limited liability company ("**Tenant**").

W I T N E S S E T H:

WHEREAS, Landlord and Tenant have entered into a Lease dated October 3, 2016, as amended by that certain First Amendment to Lease, dated as of December 14, 2016, and as amended by that certain Second Amendment to Lease, dated as of December 4, 2017 (as amended, the "**Existing Lease**") pursuant to which Landlord leased to Tenant certain premises consisting of approximately 17,465 square feet located at 28159 Avenue Stanford, Suites 200 and 220, Valencia, California, 91355 (the "**Premises**"), such Existing Lease, as heretofore modified, being herein referred to as the "**Lease**".

WHEREAS, the current Expiration Date of the Lease is January 31, 2021. Landlord and Tenant desire to modify the Lease to, among other things, extend the term of the Lease, on the terms and conditions set forth below.

A G R E E M E N T:

NOW THEREFORE, in consideration of the Premises and the mutual covenants hereinafter contained, the parties hereto agree as follows:

1. The Lease Term is extended such that the Lease shall terminate on July 31, 2022 (the "**Third Extension Term**"). The monthly Base Rent during the Third Extension Term shall be as follows:

Period	Monthly Base Rent
February 1, 2021 – January 31, 2022	$33,183.50
February 1, 2022 – July 31, 2022	$34,179.01

2. Except as otherwise expressly provided herein, all defined terms used in this Amendment shall have the same respective meanings as are provided for such defined terms in the Lease. Tenant shall accept the Premises in its "as is" condition, without any representations or warranties, and shall pay increases in Common Area Operating Expenses, over the Base Years as provided in the Lease during the Third Extension Term.

3. Landlord's address for notice purposes is hereby amended as follows: Any notices or demands directed to Landlord shall be delivered to Rexford Industrial Realty, L.P., 11620 Wilshire Boulevard, Suite 1000, Los Angeles, California, 90025; Tel. 310.966.1680, Fax 310.966.1690; Attn.: General Counsel, DLanzer@rexfordindustrial.com.

MP

INITIALS

4. Tenant warrants, represents and certifies to Landlord that as of the date of this Amendment, (i) Landlordis not in default under the Lease, (ii) Tenant does not have any defenses or offsets to payment of rent and performance of its obligations under the Lease as and when the same become due; and (iii) Tenant has no remaining renewal, extension or termination options or rights of first offer or first refusal.

5. Tenant represents and warrants that it has dealt with no broker, agent or other person in connection withthis transaction and that no broker, agent or other person brought about this transaction, other than CBRE, Inc., and Tenant agrees to indemnify and hold Landlord harmless from and against any claims by any other broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with Tenant with regard to this leasing transaction.

6. Insofar as the specific terms and provisions of this Amendment purport to amend or modify or are in conflict with the specific terms, provisions and exhibits of the Lease, the terms and provisions of this Amendment shall govern and control; in all other respects, the terms, provisions and exhibits of the Lease shall remain unmodified and in full force and effect.

7. Landlord and Tenant hereby agree that (i) this Amendment is incorporated into and made a part of the Lease, (ii) any and all references to the Lease hereinafter shall include this Amendment, and (iii) the Lease and all terms, conditions and provisions of the Lease are in full force and effect as of the date hereof, except as expressly modified and amended hereinabove.

8. Notwithstanding anything to the contrary contained in the Lease, in the event the so-called "split roll" property tax ballot initiative passes in California thereby removing certain Proposition 13 tax protections applicable to commercial properties (the "**Split Roll Initiative**"), the amount of Real Property Taxes applicable to the Base Year shall not include the amount of any increase in Real Property Taxes resultingfrom a reassessment triggered by the Split Roll Initiative.

9. Annually, Tenant at Tenant's sole cost and expense, shall deliver to Landlord data regarding the electricity consumed in the operation of the Premises (the "**Energy Data**") for purposes of regulatory compliance, manual and automated benchmarking, energy management, building environmental performance labeling and other related purposes, including but not limited, to the Environmental Protection Agency's Energy Star rating system and other energy benchmarking systems. Tenant agrees to update such benchmarking information for Tenant's operations conducted during the year. Landlord shall use commercially reasonable efforts to utilize automated data transmittal services offered by utilitycompanies to access the Energy Data.

10. In accordance with the California Consumer Privacy Act ("**CCPA**"), Landlord makes the following disclosure: Landlord collects certain categories of personal information about tenants including identifiers (such as names, email addresses and telephone numbers) and commercial information relating to tenants' business operations. Such personal information is collected by Landlord for use in providingservices under the Lease and for other internal business purposes. Landlord does not sell personal information. To learn more about Landlord's privacy policy, please visit https://www.rexfordindustrial.com/privacy-policy.

MP

INITIALS

11. Each party hereto, and their respective successors and assigns shall be authorized to rely upon the signatures of all of the parties hereto on this Amendment which are delivered by facsimile or PDF as constituting a duly authorized, irrevocable, actual, current delivery of this Amendment with original inksignatures of each person and entity. Further, the parties hereto expressly consent and agree that this Amendment may be electronically signed and that electronic signatures appearing on this Amendment shall be treated, for purposes of validity, enforceability and admissibility, the same as hand-written signatures. This Amendment may be executed in counterparts, each of which shall be deemed an originalpart and all of which together shall constitute a single agreement.

12. The ACM Notification is attached hereto as Exhibit "A" and shall be incorporated into the Lease.

13. The Coronavirus Acknowledgement is attached hereto as Addendum One and shall be incorporated intothe Lease.

14. The Option to Extend is attached hereto as Addendum Two and shall be incorporated into the Lease.

[Signature Page Follows]

MP

INITIALS

IN WITNESS WHEREOF, the parties hereto have signed this Amendment as of the day and year firstabove written.

TENANT:

AVITA MEDICAL AMERICAS, LLC,
a Delaware limited liability company

By: Michael Perry
Name: Dr. Michael Perry
Title: CEO
Date: Nov 20, 2020 7:35 AM PST

LANDLORD:

RIF III – AVENUE STANFORD, LLC,
a California limited liability company

By: Rexford Industrial Realty, L.P.,
a Maryland limited partnership,
Its Managing Member

Rexford Industrial Realty, Inc.,
a Maryland corporation,
Its General Partner

By: Howard Schwimmer
Name Printed: Howard Schwimmer
Title: Co-Chief Executive Officer
Date: Nov 20,2020 2:55 PM PST

MP

EXHIBIT "A"

ACM Notification

This Exhibit is attached to and made a part of the Amendment by and between RIF III – Avenue Stanford, LLC, a California limited liability company ("**Landlord**"), and Avita Medical Americas, LLC, a Delaware limited liability company ("**Tenant**"), for space in the building located at 28159 Avenue Stanford, Valencia, California, 91355 (the "**Building**").

Asbestos-containing materials ("**ACMs**") were historically commonly used in the construction of commercial buildings across the country. ACMs were commonly used because of their beneficial qualities; ACMs are fire-resistant and provide good noise and temperature insulation.

Some common types of ACMs include surfacing materials (such as spray-on fireproofing, stucco, plaster and texturedpaint), flooring materials (such as vinyl floor tile and vinyl floor sheeting) and their associated mastics, carpet mastic, thermal system insulation (such as pipe or duct wrap, boiler wrap and cooling tower insulation), roofing materials, drywall, drywall joint tape and drywall joint compound, acoustic ceiling tiles, transits board, base cove and associated mastic, caulking, window glazing and fire doors. These materials are not required under law to be removed from anybuilding (except prior to demolition and certain renovation projects). Moreover, ACMs generally are not thought to present a threat to human health unless they cause a release of asbestos fibers into the air, which does not typically occur unless (1) the ACMs are in deteriorated condition, or (2) the ACMs have been significantly disturbed (such as through abrasive cleaning, or maintenance or renovation activities).

It is possible that some of the various types of ACMs noted above (or other types) are present at various locations in the Building. Anyone who finds any such materials in the Building should assume them to contain asbestos unless those materials are properly tested and found to be otherwise. In addition, under applicable law, certain of these materials are required to be presumed to contain asbestos in the Building if the Building was built prior to 1981 (these materials are typically referred to as "Presumed Asbestos Containing Materials" or "**PACM**"). PACM consists of thermal system insulation and surfacing material found in buildings constructed prior to 1981, and asphalt or vinyl flooring installed prior to 1981. If the Building was built prior to 1981 and any thermal system insulation, asphalt or vinyl flooring or surfacing materials are found to be present in the Building, such materials must be considered PACMunless properly tested and found otherwise. In addition, Landlord has identified the presence of certain ACMs in the Building. For information about the specific types and locations of these identified ACMs, please contact the Building manager. The Building Manager maintains records of the Building's asbestos information including any Building asbestos surveys, sampling and abatement reports. This information is maintained as part of Landlord's asbestos Operations and Maintenance Plan ("**O&M Plan**").

The O&M Plan is designed to minimize the potential of any harmful asbestos exposure to any person in the Building. Because Landlord is not a physician, scientist or industrial hygienist, Landlord has no special knowledge of the healthimpact of exposure to asbestos. Therefore, Landlord hired an independent environmental consulting firm to prepare an O&M Plan. The O&M Plan includes a schedule of actions to be taken in order to (1) maintain any building ACMsin good condition, and (2) to prevent any significant disturbance of such ACMs. Appropriate Landlord personnel receive regular periodic training on how to properly administer the O&M Plan.

The O&M Plan describes the risks associated with asbestos exposure and how to prevent such exposure. The O&M Plan describes those risks, in general, as follows: asbestos is not a significant health concern unless asbestos fibers arereleased and inhaled. If inhaled, asbestos fibers can accumulate in the lungs and, as exposure increases, the risk of disease (such as asbestosis and cancer) increases. However, measures taken to minimize exposure and consequently minimize the

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accumulation of fibers, can reduce the risk of adverse health effects.

The O&M Plan also describes a number of activities which should be avoided in order to prevent a release of asbestos fibers. In particular, some of the activities which may present a health risk (because those activities may cause an airborne release of asbestos fibers) include moving, drilling, boring or otherwise disturbing ACMs. Consequently, such activities should not be attempted by any person not qualified to handle ACMs. In other words, the approval of Building management must be obtained prior to engaging in any such activities. Please contact the Building managerfor more information in this regard. A copy of the written O&M Plan is located in the Building Management Office and, upon your request, will be made available to tenants for you to review and copy during regular business hours.

Because of the potential or presumed presence of ACM in the Building, we are also providing the following warning,which is commonly known as a California Proposition 65 warning: WARNING: This building contains asbestos, a chemical known to the State of California to cause cancer.

Please contact the Building manager with any questions regarding the contents of this notification.

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ADDENDUM ONE

CORONAVIRUS ACKNOWLEDGEMENT

ATTACHED TO AND A PART OF THE THIRD AMENDMENT TO LEASE
DATED NOVEMBER 17, 2020, BETWEEN
RIF III – AVENUE STANFORD, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY
and
AVITA MEDICAL AMERICAS, LLC, A DELAWARE LIMITED LIABILITY COMPANY

The parties hereby acknowledge that, as of the date of this Amendment, the coronavirus outbreak, including, without limitation Covid-19 and any mutations thereof (the "**Coronavirus Situation**") has resulted in various governmental entities at various levels (federal, state, county, city and local) to issue various laws, ordinances, regulations, orders and controls directly in response to the Coronavirus Situation (collectively and as hereinafter promulgated, the "**Coronavirus Governmental Actions**"), which have included, without limitation, orders that may give tenants the right to withhold or defer rent payments without late fees or interest ("**Coronavirus Rent Deferrals**"). Landlord andTenant acknowledge that this Amendment is being entered into while both parties have knowledge and awareness ofthe Coronavirus Situation and the ongoing Coronavirus Governmental Actions, and Tenant acknowledges and agreesthat Landlord would not lease the Premises to Tenant without Tenant expressly waiving any current or future rights to Coronavirus Rent Deferrals and all other rights now or in the future to withhold any payments to Landlord arising in any way from the Coronavirus Governmental Actions. Therefore, in consideration of the foregoing and Landlord's willingness to enter into this Amendment, to the maximum extent allowed by Legal Requirements, Tenant hereby expressly and irrevocably waives any and all current or future rights to Coronavirus Rent Deferrals and all other rights now or in the future to withhold any payments of Rent to Landlord arising in any way from the Coronavirus Governmental Actions. Tenant acknowledges and agrees that Landlord is under no obligation to provide notice of anyincidents of coronavirus infections within the Project, and the presence of coronavirus infected individuals within theProject is not an excuse or basis for not making payments to Landlord otherwise due under this Amendment, including,without limitation, Rent.

Notwithstanding the foregoing, in the event Tenant ever seeks to defer or withhold Rent, Tenant shall promptly provide Landlord with the following documentation for Tenant and any Guarantors to substantiate the impact of the Coronavirus Situation, it being understood that failure to provide any such documentation by Tenant while withholding any rent shall be considered an Event of Default by Tenant under this Agreement: (a) projected cash flowstatements covering the next six (6) months, showing all sources and uses of cash; (b) summary of all cash receipts and expenditures for the six (6) most recent calendar months, and for the current month to date; (c) schedule of liabilities identifying for each, the nature and amount of the debt, the monthly payment amount, any collateral for thedebt, whether and to what extent any defaults, and what relief, if any, was requested or granted by the creditor; (d) current balance sheet along with profit and loss statements for the prior two (2) years and monthly to date; (e) list of all bank and other cash deposit accounts held by (i) Tenant or any Guarantor, (ii) any other entity that is owned or controlled, directly or indirectly, by Tenant or any Guarantor and (iii) the primary owners of the business; (f) six (6) most recent monthly statements for each of the accounts described above; (g) complete tax returns for the prior two (2) years filed by Tenant, any Guarantor and the primary owners of the business; (h) all owners' or stockholders' individual monetary contributions in helping to sustain the monthly operations of the Tenant entity during the prior twelve (12) month period; and (i) submission of the applicable Corona Virus Situation disaster assistance program and related materials.

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ADDENDUM TWO

OPTION TO EXTEND

ATTACHED TO AND A PART OF THE THIRD AMENDMENT TO LEASE
DATED NOVEMBER 17, 2020, BETWEEN
RIF III – AVENUE STANFORD, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY
AND
AVITA MEDICAL AMERICAS, LLC, A DELAWARE LIMITED LIABILITY COMPANY

(a) Provided that as of the time of the giving of the Extension Notice and the Commencement Date of the Extension Term, (x) Tenant is the Tenant originally named herein, (y) Tenant actually occupies all of the Premises initially demised under this Lease and any space added to the Premises, and (z) no Default exists or would exist but forthe passage of time or the giving of notice, or both; then Tenant shall have the right to extend the Term of the Lease for an additional term of three (3) years (such additional term is hereinafter called the "**Extension Term**") commencing onthe day following the expiration of the Third Extension Term (hereinafter referred to as the "**Commencement Date ofthe Extension Term**"). In order to properly exercise Tenant's right to the Extension Term, Tenant shall give Landlord written notice (hereinafter called the "**Extension Notice**") of its election to extend the Term of the Lease at least 6 months, but not more than 9 months, prior to the scheduled expiration date of the Third Extension Term.

(b) The Base Rent payable by Tenant to Landlord during the first year of the Extension Term shall be thegreater of (i) an amount equal to 103% of the Base Rent applicable to the last year of the Third Extension Term and (ii)the then prevailing market rate for comparable space in the Project and comparable buildings in the vicinity of the Project, taking into account the size of the Lease, the length of the renewal term, market escalations and the credit of Tenant. The Base Rent shall not be reduced by reason of any costs or expenses saved by Landlord by reason of Landlord's not having to find a new tenant for such premises (including, without limitation, brokerage commissions, costs of improvements,rent concessions or lost rental income during any vacancy period). In the event Landlord and Tenant fail to reach anagreement on such rental rate and execute the Amendment (defined below) prior to the expiration of the Lease, then Tenant's exercise of the renewal option shall be deemed withdrawn and the Lease shall terminate on its original expiration date. Upon each anniversary of the Commencement Date of the Extension Term, the Base Rent shall be increased by3%.

(c) The determination of Base Rent does not reduce the Tenant's obligation to pay or reimburse Landlordfor Common Area Operating Expenses, Insurance Cost Increases, Increases above the Base Real Property Taxes andother reimbursable items as set forth in the Lease, and Tenant shall reimburse and pay Landlord as set forth in the Leasewith respect to such Common Area Operating Expenses, Insurance Cost Increases, Increases above the Base Real Property Taxes and other items with respect to the Premises during the Extension Term without regard to any cap onsuch expenses set forth in the Lease.

(d) Except for the Base Rent as determined above, Tenant's occupancy of the Premises during the Extension Term shall be on the same terms and conditions as are in effect immediately prior to the expiration of the Third Amendment Extension Term; provided, however, Tenant shall have no further right to any allowances, credits or abatements or any options to expand, contract, renew or extend the Lease.

(e) If Tenant does not give the Extension Notice within the period set forth in paragraph (a) above, Tenant's right to extend the Lease Term shall automatically terminate. Time is of the essence as to the giving of the ExtensionNotice.

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(f) Landlord shall have no obligation to refurbish or otherwise improve the Premises for the ExtensionTerm. The Premises shall be tendered on the Commencement Date of the Extension Term in "as-is" condition.

(g) If the Lease is extended for the Extension Term, then Landlord shall prepare and Tenant shall execute an amendment to the Lease confirming the extension of the Lease Term and the other provisions applicable thereto (the "**Amendment**").

(h) If Tenant exercises its right to extend the Term of the Lease for the Extension Term pursuant to this Addendum, the term "Term" as used in the Lease, shall be construed to include, when practicable, the Extension Termexcept as provided in (d) above.

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EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT ("Agreement") is made and entered into on November 12, 2019, by and between Avita Medical Ltd., an Australian corporation (the "Company"), Avita Medical Americas, LLC ("Avita America ") and Michael Perry, an individual (the "Executive") with reference to the following:

RECITALS

WHEREAS, the Executive has been serving in the role of Chief Executive Officer of the Company since June 1, 2017,

WHEREAS the Board of Directors of the Company (the " Board") desires to employ Executive to serve as the Chief Executive Officer of the Company and to manage the operationsof the Company and its subsidiaries pursuant to this Agreement.

WHEREAS the Executive is willing to continue to serve in the role of Chief Executive Office of the Company and provide services to the Company and its subsidiaries under the terms and conditions stated herein,

WHEREAS, the Executive will serve as Chief Executive Officer of the Company, but will be paid through Avita America (so long as Avita America remains a wholly owned subsidiary of the Company), effective as of September 1, 2019 (the " Effective Date"); and the parties agree that the terms of this Agreement will apply from the Effective Date and replaces all prior agreements, arrangements or understandings concerning the appointment of the Executive;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and intending to be legally bound, it is hereby agreed by and between the parties hereto as follows:

1. Employment and Duties

1.1 Employment. The Company here by employs the Executive as the Chief Executive Officer ("CEO") of the Company and the Executive hereby accepts such employment as of the Effective Date pursuant to the terms and conditions set forth herein. The Executive shall report directly to the Board.

1.2 Duties. The Executive shall perform, to the best of his ability and in a manner satisfactory to the Board, all such duties that are consistent with his title and position as the most senior executive officer of the Company, and such other duties as ma y reasonably be assigned to him by the Board. The Executive's duties will be conducted principally from the Company ' s North America office, currently located in Valencia, California, or at such other location as determined by the Board (but subject to the terms of this Agreement), with travel to such other locations from time to time as reasonably required. For absence of doubt, Executive can perform his duties from any location. Executive shall continue to commute as necessary from his principle residence in Denver, CO, at Company's reasonable expense, as further detailed in Section 3.4. The Board will not require Executive to relocate from Denver, CO.

1.3 Time and Efforts. The Executive shall devote his full business time and provide his best efforts, attention, and energies to the business of the Company and its subsidiaries and to the performance of Executive's duties hereunder, and Executive shall not engage in any other business, profession or occupation for compensation or otherwise during the employment period without the prior written consent of the Board; provided that, nothing herein shall preclude Executive from serving in any capacity with any civic, educational, or charitable organization, and provided, further that, in each case, and in the aggregate, such services do not materially conflict or interfere with Executive's obligations to the Company or its subsidiaries hereunder and

such service is disclosed in advance by Executive to the Board. The Board has issued approval for Executive to maintain the following appointments:

(a) University of Colorado School of Medicine, *Adjunct Professor*
(b) Houston Methodist Research Institute /Cornell School of Medicine, *Adjunct Professor*
(c) Houston Methodist, External Advisory Board for Translational Medicine, *Chair*
(d) Gamida Cell Ltd., *Non-executive director*
(e) Arrowhead Pharmaceuticals Inc., *Non-executive director*
(f) Armata Pharmaceuticals, *Non-executive director*
(g) Bioscience Managers Pty Ltd, *Managing Director*

The Company will also reimburse the Executive for fees related to the maintenance of Veterinary Licensure in the U.S. and Canada and A VMA, CVMA and DEA licensures.

2. Employment Period

The Company and the Executive hereby agree that the Executive' s employment by the Company shall be "at -will" and for an indefinite period of time, such that either the Executive or the Company may terminate this Agreement and the employment relationship at any time and for any reason, with or without Cause, with or without notice , but subject to the severance pay provisions (if applicable) as set forth below in Sections 5 and 6 of this Agreement.

3. Compensation

As the total consideration for the Executive's services rendered here under, Executive shall be entitled to the following:

3.1 **Base Salary**. The Executive shall be paid an annual base salary of Four Hundred and Seventy-Five Thousand United States Dollars ($475,000.00) per year ("Base Salary"), subject to applicable tax deductions and withholdings, beginning on the Effective Date of the Agreement payable in regular installments in accordance with the customary payroll practices of Avita America. The Executive's salary will be subject to annual review by the Board and may be increased or decreased in the sole discretion of the Board.

3.2 Annual Performance Bonus. In addition to the Base Salary, the Executive shall be eligible to receive an annual performance bonus as determined by the Board with the exception of the guaranteed portion of the Annual Bonus which is to be paid in accordance with clause 3.2(b). ("Annual Bonus") based upon the Company's performance for the preceding calendar year of service (each year being regarded as a "Bonus Period"), as measured against certain performance targets as mutually established by the parties to be paid to Executive no later than March 15 of the year following the Bonus Period. The Annual Bonus shall be determined as follows:

(a) As ultimately determined in the Board' s discretion, the target amount of the Annual Bonus shall be seventy percent (70%) of Executive's Base Salary ("Target Bonus").

(b) For calendar year 2019, the Annual Bonus shall be prorated for 7/12ths of the year guaranteed at 50% of Executive's Base Salary and the remaining 7/12ths at the Board' s discretion for the remainder of the year.

(c) At the sole discretion of the Board, Executive may be entitled to an additional amount of up to fifty percent (50%) of the Target Bonus ("Additional Bonus") i.e., up to 105%

of base salary when combined with the Target Bonus.

(d) In order to be eligible and entitled to receive any Annual Bonus or Additional Bonus payment, the Executive must have been and is still employed on the last day of the Bonus Period and the Company must not have given Executive notice of termination for Cause and the Executive also must not have given notice of termination pursuant to section 5.4 (other than for termination due to Disability or Death), on or before the date the Annual Bonus or Additional Bonus is to be paid.

3.3 **Long Term Incentive**. The Company agreed upon employment of Executive to grant equity to Executive. All Restricted Stock Units ("RSUs") and Options referred to herein, as well as any future grants, shall be issued as soon as administratively feasible following their respective grant dates, but no later than thirty (30) business days following such date. The Company has issued to the Executive equity in the form of RSUs under the terms and conditions contained in the RSUs Confirmatory Deed and options on the terms of the Option Deed, a copy of each of which is attached to this Agreement as Annexure A and Annexure B, respectively.

3.4 **Business Expenses**. During the Employment Term, the Executive is entitled to reimbursement (through Avita America) for reasonable and necessary business expenses incurred by Executive in connection with the performance of Executive's duties, subject to proper documentation and approval as required pursuant to the applicable Company expense reimbursement policies. For air travel incurred in commuting from Denver, CO, Executive shall be entitled to fly business class (or a lesser flight class if business class is not available). The Company shall pay those of the Executive's reasonable commuting expenses, as well as Executive's reasonable housing expenses of hotel stays or a corporate apartment and automobile lease or rental, whichever Executive elects. In addition, the Company shall pay that amount that is necessary to compensate Executive for the U.S. federal and applicable state income tax due as a consequence of the Company's payment of such travel and housing and automobile expenses, which amount shall be withheld from his compensation and paid to the appropriate governmental authority. To the extent any of these expense payments are taxable income to the Executive, the Company shall pay an additional amount intended to gross-up for any income tax impact. The Executive is entitled to reimbursement of eligible expenses incurred while employed but paid following termination of employment. Avita Americas will conduct standard audits of expensesincurred by the Executive and C-suite employees.

3.5 **Vacation, Personal Time. and Sick Leave**. The Executive shall be entitled each year to a vacation, during which time his compensation shall be paid in full. The time allotted for such vacation shall be an aggregate of five (5) weeks per year. There is a cap on the amount of unused vacation time that can be accumulated and carried forward to subsequent years. Executive can never accumulate in excess of a total of (8) weeks. Consequently, if less than the full five (5) weeks is used by the Executive in any given year, the amount of the unused vacation can be carried forward, but the vacation total can never exceed eight (8) weeks at any point in time. If the cap of eight (8) weeks is ever reached, Executive cannot accrue any additional vacation time until he uses some of the vacation time and the amount drops below the cap. Once the amount drops below the cap, Executive will begin accruing vacation time again (pro-rated onan annual basis), but subject to the cap. In the year Executive's employment as CEO terminates, he shall be paid, at his regular rate of pay, for unused vacation (which can never exceed the amount of the eight (8) week cap). The Executive agrees to schedule planned vacation to be taken at a time mutually convenient to the Executive and the Company.

Executive shall also be entitled to five (5) paid personal days each year. Executive shall accrue

five (5) personal days for calendar year 2017 as of the Effective Date of this Agreement. There is a cap on the amount of unused personal days that can be carried forward to subsequent years, and that amount is seven days (7) total. The cap shall operate in the same way as the cap described in the paragraph above related to vacation. To the extent possible, Executive agrees to schedule personal days to be taken at a time convenient to the Company.

Executive shall also be entitled to forty-eight (48) hours of sick leave each year. There is a cap on the amount of unused sick leave that can be carried forward to subsequent years, and that amount is sixty (60) hours total. The cap shall operate in the same way as the capdescribed in the paragraph above related to vacation. However, the Company shall have no obligation to pay for unused sick time when Executive's employment terminates.

3.6 **Health Insurance**. The Company shall pay to Executive on an after-tax basis an amount equal to I 00 % of the monthly premiums for the Executive and his family (spouse, eligible children) under the medical and dental plans of his former employer. The Company shall pay 100% of the monthly premiums for Executive and his family (spouse, eligible children) under the Company-provided vision plan. If in the future, the Executive, and his family (spouse, eligible children) cease to be covered under the medical and dental plans of his former employer and begin coverage under the Company-provided medical and dental programs then the Company shall pay 100% of the monthly premiums for that coverage. The Company reserves the right and may at any time, in its sole discretion, terminate, change, or modify any employee benefit plans, policies or programs that it offers or provides. The Executive is entitled to reimbursement of eligible expenses incurred while employed but paid following termination of employment. For absence of doubt, the Company shall not discontinue payment s under this Section without consent of Executive.

3.7 **Disability Insurance**. Executive and the Company shall agree upon a disability insurance policy (the "Policy") to insure solely to Executive and/or his beneficiaries. The Company shall during the Employment Term purchase and pay all premiums on the Policy. Such policy shall be in an amount equal to the Executive' s annual Base Salary plus Executive's Target Annual Bonus of 70% of Base Salary.

4. Proprietary Information

The Executive acknowledge s that: (i) the Executive has a major responsibility for the operation, development and growth of the Company's business and subsidiaries; (ii) the Executive's work for the Company and its subsidiaries has brought the Executive and will continue to bring the Executive into close contact with "Confidential Information" (as defined below); and (iii) the agreements and covenants contained in this Section 4 are essential to protect the business interests of the Company and its subsidiaries and that the Company will not enter into this Agreement but for such agreements and covenants. Accordingly, the Executive covenants and agrees to the following:

4.1 **Confidential Information**. Both during the term of the Executive's employment under this Agreement and indefinitely after the Executive is no longer employed as CEO of the Company, the Executive shall not, directly or indirectly, (i) knowingly use for an improper or personal benefit any "Confidential Information" (as defined below) that was acquired by, learned by or disclosed to Executive during or by reason of the Executive's employment as CEO of the Company (before or after the date of this Agreement) , or (ii) disclose any such Confidential Information to any person, business or entity, except in the proper course of the Executive's duties as CEO of the Company. As used in this Agreement, "**Confidential Information**" means any and all confidential or proprietary information of the Company and its subsidiaries or affiliates that is not generally known to the public, including, without limitation, business, financial , marketing , technical , developmental, operating, performance, know-how, and process information, drawings and designs, customer information

(including contact information, pricing and buying trends and needs), employee information (including the skills, abilities and compensation of other employees), and other trade secret information, now existing or hereafter discovered or developed during the course of employment with the Company. Confidential Information shall include information in any form whatsoever, including, without limitation, any digital or electronic record-bearing media containing or disc lo s in g such information. The provisions of this Section 4 shall not apply to information that has become generally available to the public other than as a result of a disclosure by the Executive. In the event that the Executive is requested or required (including under applicable securities laws, such as the ASX Listing Rule s) (or by oral question or request for information or document s in any legal proceeding, inter rogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, then the Executive will notify the Company within two (2) business days of receiving the request or requirement so that the Company may seek an appropriate protective order. If required under applicable securities laws (including the ASX Listing Rules) the Executive must disclose such Confidential Information as and to the extent required under those securities laws. If, in the absence of a protective order or the receipt of a waiver hereunder (and other than as a requirement under applicable securities law s), the Executive is, on the advice of counsel compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, the Executive may disclose such Confidential information to the tribunal; provided, however, that the Executive shall use the Executive's reasonable best efforts to obtain, at the expense and reasonable request of the Company, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as the Company shall designate. The Executive acknowledges that all Confidential Information is the exclusive property of the Company. The Executive further acknowledges that the Executive' s entire work product, including working drafts and work sheets, shall be the sole property of the Company, and that the Executive will have no rights, title or interest in any such material whether prepared by the Executive alone, by others or by the Executive in conjunction with others. Executive agrees as a condition of continued employment to execute (at the same time as executing this Agreement) the Company's standard form Intellectual Property Agreement protecting the trade secrets and other intellectual property of the Company.

4.2 **Duty of Loyalty and Non-Competition**. During the Employment Term, the Executive shall not, without the prior written consent of the Company, participate, directly or in directly, as an individual proprietor, partner, stockholder, officer, employee, director, manager, joint venture, investor, lender, consultant or in any capacity whatsoever (within the United States of America, or in any country where the Company or its subsidiaries or affiliates do business or have reasonable plans to do business) in a business engaged in competition with the Company or any of its subsidiaries or affiliates, or in a business that the Company or any of its subsidiaries or affiliates has taken reasonable steps to engage in (including, but not limited to, meeting with management teams or entering into preliminary or definitive term sheets, letters of intent, purchase agreements , or other similar arrangements or agreements) of which the Executive has knowledge at the time of Executive's employment; provided, however, that such participation shall not include the mere ownership of not more than one percent (1%) (on a fully diluted basis) of the total outstanding stock of a publicly held company. At all times following the termination of Executive's employment as CEO of the Company for any reason as specified in Section 5 hereof, Executive shall not, either directly or indirectly, engage in any unlawful competitive activities or use Confidential Information to engage in any competition against the Company. Any technologies used by the Company in the course of Executive's employment are restricted to a specific field of use or therapeutic area used or planned to be used by the Company will only be considered confidential or competitive in that specific defined field of use. Executive is free to pursue interests and/or employment with other companies using these technologies in other fields of use outside those used by the Company, including without limitation for example oncology, diabetes and/or endocrine fields.

4.3 **Non-Solicitation**. For a period beginning on the Effective Date and ending one year after the date on which the Executive is no longer employed as CEO of the Company (the "Non-Solicitation Period"), the

Executive shall not in any capacity, either separately or in association with others: (i) solicit for employment or endeavor in any way to entice away from employment with the Company or its subsidiaries or affiliates any employee of the Company or its subsidiaries or affiliates, or any person or entity that had been an employee or affiliate of the Company or its subsidiaries within the six month period preceding the commencement of a solicitation; nor (ii) use Confidential Information to solicit or use any other unlawful means to induce or influence any supplier, customer, agent, consultant or other person or entity that has a business relationship with the Company or its subsidiaries to discontinue, reduce or modify such relationship with the Company or its subsidiaries.

4.4 **Non-disparagement**. The Executive agrees (whether during or after Executive's employment as CEO of the Company) not to issue, circulate, publish or utter any comments or statements to the press or other media, or to any third parties, or to any employees of the Company or its subsidiaries or affiliates, or any consultants or any individual or entity with whom the Company or its subsidiaries or affiliates has a business relationship, which could reasonably be expected to adversely affect in any manner: (i) the conduct of the business of the Company or its subsidiaries or affiliates (including, without limitation, any products, services, or business plans or prospects); or (ii) the business reputation of the Company or its subsidiaries or affiliates (including its financial condition or the direction of the business), or any of their respective products or services, or their past or present officers, directors, executives or employees. Notwithstanding the foregoing, nothing contained in this Agreement will be deemed to restrict Executive from providing truthful information to any governmental or regulatory agency (or in any way limit the content of any such information) to the extent requested or required to provide such information pursuant to applicable law or regulation. Nothing in this section is intended to limit Executive's rights under Section 7 of the National Labor Relations Act.

The Company agrees (whether during or after Executive's employment as CEO of the Company) not to issue, circulate, publish or utter any comments or statements to the press or other media, or to any third parties, or to any employees of the Company or its subsidiaries or affiliates, or any consultants or any individual or entity with whom the Executive has a busine ss relationship, which could reasonably be expected to adversely affect in any manner the business or personal reputation of the Executive. Notwithstanding the foregoing, nothing contained in this Agreement will be deemed to restrict the Company from providing truthful information to any governmental or regulatory agency or under applicable securities laws (including the ASX Lis ting Rules) (or in any way limit the content of any such information) to the extent requested or required to provide such information pursuant to applicable law or regulation.

4.5 **Return of Property**. Upon termination of his employment as CEO of the Company or at any time as the Company requests, the Executive will promptly deliver to the Company all Confidential Information and other documents (whether prepared by the Company, a subsidiary, an affiliate, the Executive or a third party) relating to the Company, any of its subsidiaries, an affiliate or any of their businesses or property that the Executive may possess or have under the Executive's direction or control other than documents provided to the Executive in the Executive's capacity as a participant in any employee benefit plan, policy or program of the Company.

4.6 **Remedies**. The Executive acknowledges that (i) the Executive has had an opportunity to seek the advice of counsel in connection with this Agreement; (ii) the provisions of this Section 4 are reasonable in scope and in all other respects; (iii) any violation of these provisions will res ult in irreparable injury to the Company; (iv) money damages may not be an adequate remedy for the Company in the event of a breach of any of these provisions by the Executive; and (v) specific performance in the form of injunctive relief would be an appropriate remedy for the Company. If the Executive breaches or threaten s to breach any of the provision of this section 4, the Company shall be entitled, in addition to all other remedies, to seek an injunction restraining any such breach, without any bond or other security being required and without the necessity of showing actual

damages.

As it relates to Section 4.4, only, Executive shall be entitled to seek any remedy available to him under applicable law and is not limited by the provisions of Section 11 of this Agreement.

4.7 **Severability**. If any of the provisions of this Section 4, or any part thereof, are held to be invalid or unenforceable, the same shall not affect the remainder of the covenant or covenants, which shall be given full effect, without regard to the invalid or unenforceable portions. Without limiting the generality of the foregoing, if any of the provisions, or any part thereof, are held to be unenforceable because of the duration of such provision or the area covered thereby, the parties hereto agree that the court making such determination shall have the power to reduce the duration and/or area of such provision and, in its reduced form, such provision shall then be enforceable.

5. **Termination**

The Executive's employment shall terminate upon the happening of the following:

5.1 **Termination For Cause**. The Company may immediately terminate this Agreement for Cause at any time if the Board determines that Cause exists. For purposes of this Agreement, "Cause" shall mean:

(a) An act of intentional dishonesty, fraud, embezzlement, or misappropriation of money, property, or proprietary information in connection with the Executive's responsibilities as an Executive.

(b) The Executive's conviction of, or plea of nolo contendere to, a felony offense or to any crime involving moral turpitude;

(c) The Executive's willful misconduct in connection with his employment duties, as reasonably determined by the Board, that is detrimental to the Company, and which is not cured on reasonable notice to Executive;

(d) The Executive's unsatisfactory performance, as determined by the Board, including but not limited to, habitual failure or refusal to perform his employment duties under this Agreement if such failure or refusal is not cured by Executive within twenty (20) days after receiving written notice thereof from the Board; or

(e) The Executive's breach of any material provision of this Agreement or any other material agreement between Executive and the Company, or Executive's breach or violation of any lawful employment policy of the Company, including those prohibiting harassment of another employee, which has or could reasonably have a material detrimental effect on the Company or its reputation.

5.2 **Termination Without Cause**. The Company may terminate this Agreement and all of the Company' s obligations hereunder (except as hereinafter provided) Without Cause at any time during the Employment term by giving the Executive twelve (12) months' notice or payment of twelve (12) months Base Salary in lieu of notice (as described in Section 6.2 below). For purposes of this Agreement, "Without Cause" shall mean termination by the Company of Executive's employment for any reason, other than as specified in Sections 5.1 or 5.3 hereof. Upon a termination by the Company Without Cause, Executive shall receive the compensation and benefit continuation required by Section 6.2 below.

5.3 **Termination Due to Disability or Death**. Executive's employment hereunder may be terminated by the Company as follows:

(a) To the extent permitted by law, upon thirty (30) days' written notice to Executive in the event that Executive is unable to perform the duties specified in this Agreement by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to

last for a continuous period of not less than twelve (12) months; or

(b) Immediately upon the death of Executive.

5.4 **Voluntary Termination by Executive**. Executive's employment hereunder may be terminated by Executive for any reason upon Executive providing Company with written notice to terminate ("Termination Notice"). Executive shall provide such Termination Notice as soon reasonably possible prior to Executive's termination date given Executive's future plans, but in no event less than 30 days nor more than 120 days prior to termination. As from receipt by the Company of the Termination Notice the Company shall pay Executive his Base Salary, and any bonus decided by the Board shall be prorated through his termination date.

5.5 **Good Reason**. Executive shall be considered to have resigned for Good Reason in any of the following events or conditions which occur without the Executive's written consent, and which remain in effect after notice has been provided by the Executive to the Company of such material reduction and the expiration of a 30 day cure period, unless those events constitute or arise as a result of the occurrence of a "Cause" event or circumstance as defined in Section 5.1, above: (i) a material reduction in the Executive's Base Salary unless a proportionate reduction is made to the Base Salary of all members of the Company's senior management; (ii) a material diminution in the Executive's authority, duties or responsibilities including a requirement that the CEO report to a corporate officer or employee instead of reporting directly to the Board; (iii) a decision by the Company which would require the Executive to change his principle residence from Denver, CO; or (iv) any other action or inaction that constitutes a material breach by the Company of this Agreement. The Executive' s notification to the Company must be in writing and must occur within a reasonable period of time, not to exceed 90 days, following the Executive's discovery of the relevant event or condition.

5.6 **Definition of Termination of Employment or Separation from Service:** The terms "termination," "resignation," "termination of employment," or any other term reasonably interpreted to mean a separation from service, will be used interchangeably to mean "Separation from Service" under Section 409A of the Internal Revenue Code of the United States Department of Treasury ("Section 409A"), unless specifically stated otherwise herein. Separation From Service shall mean:

(a) the date upon which the Company and Executive reasonably anticipate that Executive will perform no services; or

(b) the date Executive's level of bona fide services to the Company permanently decrease to no more than twenty (20) percent of the average level of bona fide services performed over the immediately preceding 36-month period (or the full period of services if Executive has been providing services for less than 36-months).

6. **Effect of Termination**

6.1 In the event that Executive's employment is terminated by the Company for Cause pursuant to Section 5.1 or by Executive due to a voluntary resignation pursuant to Section 5.4 above:

a. The Company (through Avita America) shall pay to Executive, or his representatives, on the date of termination of employment (the 'Termination Date") only that portion of the Base Salary provided in Section 3.1 that has been earned but unpaid to the Termination Date, and any accrued but unpaid Vacation pay provided in Section 3.5, and any expense reimbursements due and owing to Executive as of the Termination Date; and

b. Executive shall not be entitled to (i) any other salary or compensation, (ii) any Annual

Bonus or any other bonus pursuant to Section 3.2, any Long-Term Incentive pursuant to Section 3.3, nor (iii) any Benefits pursuant to Section 3.6.

a. **Termination Without Cause**. In the event Executive's employment is terminated Without Cause pursuant to Section 5.2 above, the Company (through Avita America) shall pay to Executive, or his representatives, on the Termination Date the following:

(a) The payments, if any, referred to in Section 6.1(a) above; and

(b) Subject to the Executive's execution and delivery to the Company of a written general release in the standard form, a sample of which is attached to this Agreement as Annexure C, requested by the Company, and the Executive's continued compliance with the terms of such release and Section 4 hereof, the Company (through Avita America) shall pay Executive as severance pay a lump-sum payment (less applicable withholding taxes) equal to twelve (12) months of Executive's annual Base Salary as in effect immediately prior to Executive's termination date. In no event shall the lump sum severance payment be made later than March 15th following the year in which the Termination Date occurs.

b. **Termination Due to Disability or Death**. In the event Executive 's employment is terminated due to Disability or death pursuant to Section 5.3 above, the Company (through Avita America) shall pay to Executive, or his representatives, on the Termination Date the following:

a. The payments, if any, referred to in Section 6.1(a) above; and

b. For a Termination Due to Disability or Death, and subject to the Executive' s execution and delivery to the Company of a written general release in the standard form, a sample of which is attached to this Agreement as Annexure C, requested by the Company, and the Executive's continued compliance with the terms of such release and Section 4 hereof, Company (through Avita America) shall pay Executive as severance pay a lump-sum payment (less applicable withholding taxes) equal to twelve (12) month s of Executive's annual Base Salary as in effect immediately prior to Executive 's Termination Date. In the event Executive is unable, for any reason, to accept the payments contemplated by this provision, any amounts due under this provision shall be paid to Executive's guardian, conservator, estate or other applicable person or entity. In no event shall the lump sum severance payment be made later than March 15th following the year in which the Termination Date occurs.

6.4 **Resignation for Good Reason**. ln the event the Executive' resign s for Good Reason pursuant to Section 5.5 above, the Company (through Avita America) shall pay to the Executive, or his representatives, on the Termination Date the following:

a. The payments, if any, referred to in Section 6.1(a) above; and

b. For a Resignation for Good Reason, and subject to the Executive's execution and delivery to the Company of a written general release in the standard form, a sample of which is attached to this Agreement as Annexure C, requested by the Company, and the Executive's continued compliance with the terms of such release and Section 4 hereof, Company (through Avita America) shall pay Executive as severance pay a lump-sum payment (less applicable withholding taxes) equal to twelve (12) months of Executive's annual Base Salary as in effect immediately prior to Executive 's termination date. In no event shall the lump sum severance payment be made later than March 15th following the year in which the Termination Date occurs.

6.5 **Pay In Lieu of Notice**. Except as expressly provided in Sections 6.1 through 6.4 and Sections 6.6 and 6.7 hereof or as required by applicable law, upon the termination of the Executive' s employment hereunder, the Executive shall have no further rights to any compensation or benefits from the Company or Avita America. The Company reserves the right to relieve Executive of all duties during any notice period that is required pursuant to the

provisions of Section 5 above and provide comparable pay and benefits in lieu of notice during such notice period. Nothing in this Section 6.5 shall limit Executive's entitlement to benefits to the extent outlined elsewhere in this Agreement.

6.6 **Payment Restriction under Corporations Act 2001**. The Parties agree and acknowledge that notwithstanding any other provision of this Agreement (and in particular, sections 6.1 through 6.5) to the contrary, the Company is subject to, and must comply with, the provisions of the Australian Corporations Act 2001 (Cth) and the ASX Listing Rules. Without limiting the generality of the foregoing, sections 5 and 6 of this Agreement are subject to prohibition under the Corporations Act 2001 (Cth) that a company may not give a person a benefit in connection with a person's retirement from an office (being a managerial or executive position within the 3 years prior to retirement), or position of employment, in a company (or an associate of that company), in aggregate value in excess of the equivalent of the average of the Employee' s annual base salary for each of the previous 3 years, without prior approval of the Company's shareholders. For these purposes, a ' benefit' includes a payment or other valuable consideration and 'retirement' includes loss of office or position, resignation from the office and death of the officeholder.

7. **Directors and Officers Insurance Coverage.**

The Company hereby covenants and agrees that, so long as the Executive shall continue to serve as an officer of the Company and thereafter so long as the Executive shall be subject to any possible proceedings by reason of the fact that Executive was an officer of the Company, the Company shall use reasonable efforts to obtain and maintain in full force and effect directors' and officers' liability insurance ("D&O Insurance") in reasonable amounts from established and reputable insurers to the extent permitted by applicable Australian law, and Executive shall be a covered party under such D&O Insurance to the maximum extent of the coverage available for any director or officer of the Company.

Notwithstanding the foregoing, the Company shall have no obligation to obtain or maintain D&O Insurance if the Company determines in good faith that such insurance is not reasonably available, the premium costs for such insurance are disproportionate to the amount of coverage provided, the coverage is reduced by exclusions so as to provide an insufficient benefit or such insurance is not permitted under applicable law. For absence of doubt, so long as the Company maintains D&O insurance for any Officer or Director of the Company, Company shall maintain D&O Insurance for Executive subject to the terms of this Section 7.

In the event of a change in control of the Company pursuant to which the Company or any successor is obligated to provide D&O Insurance for a period following the effective date of the transaction or to purchase a D&O Insurance tail policy, Executive shall be a covered party under such D&O Insurance or tail policy to the maximum extent of the coverage permitted by applicable Australian law and otherwise available for any director or officer of the Company.

8. **Post-Termination Litigation.**

Subject to the terms of this Section 8, Executive agrees to participate in any litigation relating to his actions while serving as the CEO of the Company. ln such event, the Company shall, to the extent not provided by the D&O Insurance contemplated by Section 7, above, pay to Executive $3,000 per day for each day or part day he participates in Company litigation, each day or part day he reasonably spends preparing for such litigation and each day or part day he spends traveling on behalf of the Company, traveling to or from any required meetings, proceeding or preparations. Additionally, Company shall pay executive an amount equal to Executive's after-tax cost of any reasonable expenses incurred traveling to or from such required meetings, proceedings, or preparations.

9. **Assignment**

This Agreement is personal in nature, and neither this Agreement nor any part of any obligation herein shall be assignable by Executive. The Company shall be entitled to assign this Agreement to any affiliate of the Company or any entity that assumes the ownership and control of the business of the Company.

10. **Severability**

Should any term, provision, covenant, or condition of this Agreement be held to be void or invalid, the same shall not affect any other term, provision, covenant, or condition of this Agreement, but such remainder shall continue in full force and effect as though each such voided term, provision, covenant, or condition is not contained herein.

11. **Binding Arbitration**

Any and all disputes which involve or relate in any way to this Agreement and/or to Executive's employment or termination of employment as CEO of the Company, whether initiated by Executive or by the Company and whether based on contract, tort, statute, or common law, shall be submitted to and resolved by final and binding arbitration as the exclusive method for resolving all such disputes. The arbitration shall be private and confidential and conducted in Los Angeles, California pursuant to the Federal Arbitration Act and applicable California la w, and pursuant to the applicable rules of the American Arbitration Association ("AAA") relating to employment disputes, unless the parties otherwise mutually agree to modify the AAA Rules. A copy of the AAA Employment Rules are available for review at www.adr.org/employment and are incorporated herein by reference.

The party demanding arbitration shall submit a written claim to the other party, setting out the bas is of the claim or claims, within the time period of any applicable statute of limitations relating to such claim(s). If the parties cannot mutually agree upon an Arbitrator, then the parties shall select a neutral Arbitrator through the procedures established by the AAA. The Arbitrator shall have the powers provided under the California Code of Civil Procedure relating to the arbitration of disputes, except as expressly limited or otherwise provided in this Agreement. The parties shall have the right to reasonable disco very. The parties agree that the Company shall pay the administration costs of the AAA arbitration, including payment of the fees for the Arbitrator, and any other costs directly related to the administration of the arbitration. The parties shall otherwise be responsible for their own respective costs and attorney' s fees relating to the dispute, such as deposition costs, expert witnesses and similar expenses, except as otherwise provided in this Agreement to the prevailing party.

The Arbitrator may award, if properly proven, any damages or remedy that a party could recover in a civil litigation, and shall award costs and reasonable attorneys ' fees to the prevailing party as provided by la w. The award of the Arbitrator shall be issued in writing, setting forth the basis for the decision, and shall be binding on the parties to the fullest extent permitted by law, subject to any limited statutory right to appeal as provided by law. Judgment upon the award of the Arbitrator may be entered in any stat e or federal court sitting in Los Angeles, California.

Nothing in this Section shall prevent Executive from filing or maintaining a claim for workers' compensation, state disability insurance, or unemployment insurance benefits, and nothing in this section shall be construed to prevent or excuse Executive or the Comp any from using existing internal procedures for the resolution of complaints. Employee may bring claims before administrative agencies when the la w permit s the agency to adjudicate those claims, even when there is an agreement to arbitrate; examples include claims or charges with the United States Equal Employment Opportunity Commission (or comparable state agency), the National Labor Relations Board, the U.S. Department of Labor, or the Office of Federal Contract Compliance

Programs. Nothing in this Section shall required arbitration of disputes that are excluded from coverage by this section of by law.

The Company and Executive agree that any dispute in arbitration will be brought on an individual basis only, and not on a class, collective, or representative basis on behalf of others (this agreement to be referred to hereafter as the Class Action Waiver). The Class Action Waiver does not apply to any claim that Executive brings on behalf of both himself and others under the California Private Attorneys General Act of 2004. Executive will not be subject to any retaliation or discrimination if Executive seeks to challenge this arbitration provision or participate in a class, collective, or representative action in any forum, but Company may lawfully see k enforcement of this Agreement under the Federal Arbitration Act and seek dismissal of any class, collective, or representative actions or claims to the fullest extent allowed by law.

This provision shall not apply if all or any portion of the dispute falls within the provisions of Section 4.6 of this Agreement.

12. **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and to be carried out in California. Each of the parties agrees to submit to the personal jurisdiction of any state or federal court sitting in Los Angeles, California in any action or proceeding arising out of or relating to this Agreement.

13. Compliance with IRC Section 409A

This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A") or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement ma y only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payment s under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from serv ice or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each payment made under this Agreement shall be designated as a " separate payment" within the meaning of Section 409A.

Notwithstanding anything herein to the contrary, (i) if at the time of Executive' s termination of employment as CEO of the Company Executive is a "specified employee" as defined in Section 409A of the Code, and the deferral of the commencement of any payment s or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Section 409A of the Code, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payment s or benefits ultimately paid or provided to Executive) until the date that is six (6) months following Executive's termination of employment as CEO of the Company (or the earliest date as is permitted under Section 409A of the Code) and (ii) if any other payments of money or other benefits due to Executive here und er could cause the application of an accelerated or additional tax under Section 409A of the Code, such payments or other benefits shall be deferred if deferral will make such payment or other benefits compliant under Section 409A of the Code, or otherwise such payment or other benefits shall be restructured, to the extent possible, in a manner, determined by the Board, that does not cause such an accelerated or additional tax. In the event that payments under this Agreement are deferred pursuant to this Section 13 in order to prevent any accelerated tax or additional tax under Section 409A of the Code, then such payments shall be paid at the time specified under this Section 13 without any interest thereof.

Notwithstanding anything to the contrary herein, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of amounts or benefits upon or following a termination of employment unless such termination is also a "Separation from Service" within the meaning of Section 409A of the Code and, for purposes of any such provision of this Agreement, references to a "resignation," "Termination," " termination of employment " or like terms shall mean Separation from Service.

Notwithstanding anything to the contrary herein, except to the extent any expense, reimbursement or in-kind benefit provided pursuant to this Agreement does not constitute a "deferral of compensation" within the meaning of Section 409A of the Code: (x) the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year, (y) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred, and (z) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

The Company shall consult with Executive in good faith regarding the implementation of this Section 13; provided that neither the Company nor any of its employees or representative s shall have any liability to Executive with respect thereto.

14. Notice

All notices and other communications under this Agreement shall be in writing and mailed, telegraphed, telecopied, or delivered by hand (by a party or a recognized courier service) to the other party at the following address (or to such other address as such party may have specified by notice given to the other party pursuant to this provision):

If to the Company:
Chief Financial Officer
28159 Avenue Stanford, Suite 220
Valencia, CA 91355

With a copy to the General Counsel

If to Executive:
Dr. Michael Perry
At current home address on file with the Company

15. **Miscellaneous**

a. Binding Agreement. This Agreement shall inure to the benefit of and shall be binding upon the Company, its successors, and assigns.

b. Entire Agreement. This Agreement contains the entire agreement of the parties relating to the subject matter hereof, and the parties hereto have made no agreements, representations or warranties relating to the subject matter of this Agreement that are not set forth otherwise herein. In this regard, each of the parties represents and warrants to the other party that such party is not relying on any promises or representations that

do not appear in writing herein. This Agreement supersedes any prior verbal or written agreements with the Company regarding Executive's employment or offer of employment, except as specifically referenced herein. Each of the parties further agrees and understands that this Agreement can be amended or modified only by a written agreement signed by all parties.

c. Representations and Warranties. Executive and the Company hereby represent and warrant to the other that: (a) he or it has full power, authority and capacity to execute and deliver this Agreement, and to perform his or its obligations hereunder; (b) such execution, delivery and performance will not (and with the giving of notice or lapse of time or both would not) result in the breach of any agreements or other obligations to which he or it is a party or he or it is otherwise bound; (c) this Agreement is his or it is valid and binding obligation in accordance with its terms; (d) Executive represents and warrants that he is under no other obligations, contractual or otherwise, that could impair his ability to perform fully and satisfactorily all of his obligations under this Agreement; (e) Executive has had full opportunity to review this Agreement , to obtain all legal advice he has deemed necessary or appropriate and has either done so, or voluntarily and knowingly declined to do so; and (f) neither party has been induced to enter into this Agreement through any promises, threats, coercion, or benefits not set forth expressly in writing in this Agreement.

d. Attorney's Fees. In the event that any party shall bring an action or proceeding in connection with the performance, breach or interpretation of this Agreement , then the prevailing party in any such action or proceeding, as determined by the court, arbitrator or other body having jurisdiction, shall be entitled to recover from the losing party all reasonable costs and expenses of such action or proceeding , including reasonable attorneys' fees, court costs, costs of investigation, expert witness fees and other costs reasonably related to such action or proceeding.

Company shall reimburse Executive for attorney's fees incurred in the negotiation and drafting of this Agreement and any other agreement implementing the terms of this Agreement including but not limited to RSU and option documents and plans, reflected in Executive's counsel's current invoice (June 15-mid August 2019). Company shall also reimburse Executive for reasonable attorney's fees incurred for any continuing work with respect to the same matter until it is finalized. However, any additional attorney's fees invoice(s) submitted to the Company for payment shall list thereon, for each entry, the time spent, who performed the work, and an appropriately redacted description of the work performed sufficient to understand the nature of the work performed without waiving any applicable privileges or protections. Deficient invoices may be returned for further detail, and, if reasonable, non-privileged detail is not thereafter provided, the deficiency may result in non-payment of said invoice(s).

e. Counterparts. This Agreement may be executed on separate copies, any one of which need not contain signatures of more than one party but all of which taken together shall constitute one and the same Agreement.

f. Negotiated Agreement. This Agreement was jointly negotiated by Executive and the Company and/or their respective attorneys. Should any dispute arise concerning the meaning or construction of any term or terms of this Agreement, no presumption for or against either as the drafting party, as set forth in California Civil Code Section 1654, shall apply.

g. Change in Exchange Upon Which Company is Traded. In the event the Company is no longer listed on the Australian Securities Exchange the attached Appendix I shall take effect thereby adding, replacing, or amending the corresponding provisions of this Agreement as outlined in Appendix I.

[Signatures on following page]

IN WITNESS WHEREOF, this Agreement is executed as of November 12, 2019 ("Execution Date").

" COMPANY"

Avita Medical Ltd., an Australian corporation

By: Lou Panaccio

Name: Lou Panaccio
Title: Chairman of the Board

and

"EXECUTIVE"
Michael Perry

By: _____
Michael Perry

"Avita Americas"
Avita Medical Americas, LLC., a limited liability company incorporated in Delaware

By: Lou Panaccio

Name: Lou Panaccio
Title: Chairman of the Board

Exhibit 10.12

K&L GATES

RSUs - Confirmatory Deed

Dr Michael Perry

and

AVITA MEDICAL LIMITED
ACN 058 466 523

RSUs - Confirmatory Deed

Date: 12 November 2019

Parties:

1. **Dr Michael Perry** of 300 Cook St., Denver, CO, 80206, United States **(Dr Perry)**

2. **Avita Medical Limited** ACN 058 466 523 of 28159 Avenue Stanford, Suite 220, Valencia, CA 91355, United States **(Company)**

Background:

A At the Company's 2017 AGM on 30 November 2017 shareholders approved the issue to the Company's Managing Director Dr Michael Perry of 50,000,000 RSUs in the nature of employee LTi s.

B. An RSU is a "restricted security unit", which is an unfunded and unsecured contractual entitlement to be issued or transferred a Share for each RSU on a future date (after vesting of the RSU entitlement.)

C. The Company also will, subject to shareholder approval at the Company's 2019 AGM, issue 39,554,252 RSUs on the Terms and Conditions.

D. This Deed now confirms and records the offer by the Company and the acceptance of the RSUs by Dr Perry.

Agreed terms:

1. Definitions and interpretation

1.1 Definitions

In this Deed:

Board means the board of directors of the Company or a committee appointed by the board of directors of the Company;

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Melbourne, Victoria;

Cause has the meaning as provided in section 5.1 of the Employment Agreement;

Constitution means the constitution of the Company as may be amended from time to time;

Company means **Avita Medical Limited** ACN 058 466 523;

Control Event means any of the following:

(a) One person (or more than one person acting as a group) acquires ownership of stock of the Company that, together with the stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company; provided that a Control Event shall not occur if any person (or more than one person acting as a group) owns more than 50% of the total fair market value or total voting power of the Company's stock and acquires additional stock; or

(b) One person (or more than one person acting as a group) acquires (or has acquired during the twelve-month period ending on the date of the most recent acquisition) ownership of the Company's stock possessing 30% or more of the total voting power of the stock of such corporation; or

(c) A majority of the members of the Board is replaced during any twelve- month period by directors whose appointment or election is not endorsed by a majority of the Board before the date of appointment or election; or

(d) One person (or more than one person acting as a group), acquires (or has acquired during the twelve-month period ending on the date of the most recent acquisition) assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately before such acquisition(s,)

in all of the above events a "Control Event" will only occur if it qualifies as a change in control event under Section 409A of the Internal Revenue Code but for clarity a "Control Event" excludes any solvent reconstruction or re- organization of the Company or its entities (including without limitation the interposition of a new holding entity to the group);

Corporations Act means the *Corporations Act 2001 (Cth);*

Deed means this deed including the background, any schedules and any annexures.

Employment Agreement means the agreement dated 12 November 2019 containing the terms and conditions upon which Dr Perry is employed by the Company as CEO of the Company.

Fair Market Value means, in relation to Shares issued resulting from the vesting of RSUs:

(a) the closing sale price per share of ordinary shares of the Company on a recognized securities exchange or over-the-counter market on which the ordinary shares of the Company are principally traded on the date on which Fair Market Value is being determined.

(b) if the ordinary shares of the Company are not traded on the date the Shares are issued due to a trading suspension or trading halt undertaken to facilitate a private placement of the Company, the value of ordinary shares of the Company sold in the private placement; or

(c) 1f the ordinary shares of the Company are not then listed on any recognized securities exchange or traded in an over-the-counter market or the value of such Shares is not otherwise determinable, the value as reasonably determined by the Board in good faith.

Initial Vesting Date means 12 November 2019 ;

LTis means long term incentive rights;

Reorganization means any merger, consolidation, reconstruction or other reorganization in respect of the Company, including any compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company;

RSUs means restricted security units, each unit convertible into one fully paid Share in the Company, which is an unfunded and unsecured contractual entitlement to be issued or transferred a Share on future dates;

Security Interest means:

(a) an interest or power reserved in or created or otherwise arising in or over an interest in any asset whether under a bill of sale, mortgage, charge, lien, pledge, other security interest or preferential arrangement (including retention of title), trust or power or otherwise by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation;

(b) a security interest as defined in *Personal Property Securities Act 2009 (Cth)* **(PPSA)** and to which the PPSA applies; or

(c) any agreement to grant or create anything referred to in either of paragraph (a) or (b) of this definition and any other thing which gives a creditor priority to any other creditor with respect to any asset or an interest in any asset;

Share means a fully paid ordinary share in the capital of the Company;

Terms and Conditions means the RSUs terms and conditions set out in Schedule 1 of this Deed;

Termination for Cause has the meaning in section 5.1 of the Employment Agreement;

Termination Due to Disability or Death has the meaning in section 5.3 of the Employment Agreement;

Termination By the Company Without Cause has the meaning in section 5.2 of the Employment Agreement;

Vesting Conditions means the vesting conditions of the RSUs as defined in Schedule 1 of this Deed;

Voluntary Termination has the meaning as provided in section 5.4 of the Employment Agreement;

Voluntary Termination for Good Cause has the meaning as provided in section 5.5 of the Employment Agreement.

1.2 Interpretation

In this Deed, unless the context requires otherwise:

(a) the singular includes the plural and vice versa;

(b) a gender includes the other genders;

(c) headings are used for convenience only and do not affect the interpretation of this Deed,

(d) other grammatical forms of a defined word or expression have a corresponding meaning;

(e) a reference to a document is lo that document as amended, novated, supplemented, extended or restated from time to time,

(f) a reference to a party is to a party to this Deed and includes that party's executors, administrators, successors, permitted assigns and permitted substitutes ;

(g) if something is to be or may be done on a day that is not a Business Day then it must be done on the next Business Day;

(h) "person" includes a natural person, partnership, body corporate, association, joint venture, governmental or local authority, and any other body or entity whether incorporated or not;

(i) "month" means calendar month and "year" means 12 consecutive months;

(j) a reference to a thing (including a right) includes a part of it but nothing in this clause implies that part performance of an obligation constitutes performance of that obligation;

(k) a reference to all or any part of a statute, rule, regulation or ordinance **(statute)** is to that statute as amended, consolidated, re-enacted or replaced from time to time;

(l) "include", "for example" and any similar expressions are not used, and must not be interpreted, as words of limitation;

(m) money amounts are stated in Australian currency unless otherwise specified;

(n) a reference to a time of day 1s to that time in Melbourne, Victoria;

(o) a reference to any agency or body that ceases to exist, is reconstituted, renamed or replaced, or has its powers or functions removed **(defunct body)** is to the agency or body that performs most closely the powers or functions of the defunct body;

(p) any provision in this Deed which is in favour of more than one person benefits all of them jointly and each of them severally; and

(q) any provision in this Deed which binds more than one person binds all of them jointly and each of them severally.

2. Terms and conditions of RSUs

2.1 Terms and conditions approved by Shareholders

The parties agree that:

(a) 50 million RSUs have been issued to Dr Perry prior to the date of this Deed;

(b) subject to shareholder approval at the Company's 2019 AGM, a further 39,554,252 RSUs will be issued to Dr Perry; and

(c) all of the RSUs (as referred to in paragraphs (a) and (b) above) are governed by the terms of this Deed (including the attached Terms and Conditions).

2.2 Issue of Shares on vesting

As soon as administratively practical (including in consideration of the ability of the Company to cleanse any trading in the resulting Shares under section 708A of the Corporations Act) but in any event within 5 Business Days after the vesting of Dr Perry's RSUs, the Company will in accordance with the Terms and Conditions issue to Dr Perry an equal number of Shares

represented by the vested RSUs (in cancellation of the corresponding number of vested RSUs) and Dr Perry agrees to hold those Shares issued pursuant to the RSUs in accordance with the Company's Constitution (as amended from time to time) and the ASX Listing Rules. Other than compliance with Section 1043A of the Corporations Act (possession of inside information) and the Company's then applicable securities trading policy (as applicable to all of the Company's employees), on filing a cleansing notice by the Company under section 708A of the Corporations Act (which the Company shall use its best endeavours to file on or within 5 Business Days of the relevant issue of Shares), there will be no restriction under Australian law on Dr Perry dealing in those Shares.

2.3 Re-organization

Where for any reason the Company undertakes a solvent reconstruction or re- organization of the Company or its entities (including without limitation the interposition of a new holding entity to the group), Dr Perry agrees to exchange (on a "like for like" basis) his RSUs for new restricted stock units (on substantially the same terms and conditions as provided in this Deed) in the new parent entity which arises on such solvent reconstruction or re- organization.

3. Contracts of employment and other employment rights

3.1 No change to employment terms

The participation in the issue of the RSUs does not change or vary any of the terms and conditions of Dr Perry's employment pursuant to the Employment Agreement.

3.2 No right to future employment or engagement

Without limiting clause 3.1 above, this Deed does not confer on Dr Perry any right to future employment or engagement and does not affect any rights which the Company may have to terminate his employment or engagement.

3.3 Acknowledgments

It is acknowledged and accepted by Dr Perry and the Company that the terms of this Deed creates legally binding obligations on the parties but do not form part of the terms and conditions of Dr Perry's employment or other engagement contract, nor do the terms of this Deed constitute a contract or arrangement (including any related condition or collateral arrangement) in relation to Dr Perry's employment or other engagement contract.

4. Powers of the Board

4.1 Powers of the Board

This Deed will be managed by the Board, which will have power (which must be exercised reasonably and in good faith) to

(a) determine appropriate procedures for the administration of this Deed;

(b) resolve conclusively all questions of fact or interpretation arising in connection with this Deed;

(c) determine matters falling for determination under this clause in its discretion having regard to the interests of and for the benefit of the Company;

(d) exercise the discretions conferred on it by this clause or which may otherwise be required

in relation to this Deed; and

(e) delegate to any one or more persons (for such period and on such conditions as it may determine) the exercise of any of its powers or discretions arising under this Deed.

5. Notices

Any notice or other communication to or by a party under this Deed:

(a) must be given in accordance with this clause 5;

(b) may be given by personal service or certified return post (signature required by Dr Perry or Mrs. Arlene Perry);

(c) must be in writing, legible and in English addressed (depending on the manner in which it is given) as shown below:

(i) If to Dr Perry and Mrs. Arlene Perry:

Address: 300 Cook St., Denver, CO, 80206, United States
Attention: Dr. Michael Perry and Mrs. Arlene Perry

(ii) If to the Company:

Address: 28159 Avenue Stanford, Suite 220, Valencia, CA 91355, United States
Attention: Chief Financial Officer

or addressed in accordance with any updated details last notified by the party to the sender by notice given in accordance with this clause;

(d) must be signed:

(i) in the case of a corporation registered 1n Australia, by any authorized representative or by the appropriate office holders of that corporation under section 127 of the Corporations Act; or

(ii) in the case of a corporation registered outside of Australia, by a person duly authorized by the sender in accordance with the laws governing the place of registration of that corporation; and

(e) is deemed to be given by the sender and received by the addressee:

(i) if delivered in person, when delivered to the addressee;

(ii) if posted, at 9.00 am on the fourth Business Day after the date of posting to the addressee whether delivered or not;

but if the delivery or receipt 1s on a day which is not a Business Day or is after 4.00 pm (addressee's time), it is deemed to have been received at 9 00 am on the next Business Day

6. General

6.1 Entire understanding

(a) This Deed contains the entire understanding between the parties concerning the subject matter of this Deed and supersedes, terminates and replaces all prior agreements and communications between the parties concerning that subject matter.

(b) All terms, warranties and conditions implied or imposed by statute *or* general law are excluded from this Deed, except any term, warranty or condition the exclusion of which would:

(i) contravene the statute or general law which implied or imposed it; or

(ii) cause this clause to be void

(c) Each party acknowledges that, except as expressly stated in this Deed, it has not relied on any representation, warranty, undertaking or statement made by or on behalf of another party in relation to this Deed or its subject matter.

6.2 No adverse construction

No provision of this Deed is to be construed to the disadvantage of a party solely because that party was responsible for preparing or proposing this Deed or the provision.

6.3 No waiver

(a) A failure to exercise, a delay in exercising or partially exercising any power, right or remedy conferred on a party by or in respect of this Deed does not operate as a waiver by that party of the power, right or remedy.

(b) A single or partial exercise of any power, right or remedy does not preclude a further exercise of it or the exercise of any other power, right or remedy.

(c) A waiver of a breach does not operate as a waiver of any other breach.

6.4 Remedies cumulative

Except as set out in this Deed, the powers, rights and remedies under this Deed *are* cumulative with and not exclusive of any powers, rights and remedies provided by law independently of this Deed

6.5 Severability

Any provision of this Deed which is invalid in any jurisd1ct1on must, in relation to that jurisdiction, be:

(a) read down to the minimum extent necessary to achieve its validity, if applicable; and

(b) severed from this Deed in any other case,

without invalidating or affecting the remaining provisions of this Deed or the validity of that provision in any other jurisdiction.

6.6 Consents and approvals

Unless this Deed provides otherwise, where anything depends on the consent or approval of a party, then that consent or approval may be given conditionally, unconditionally or withheld, in the absolute discretion of that party.

6.7 No variation

This Deed cannot be amended or varied except in writing signed by the parties.

6.8 Execution and delivery

(a) By executing this Deed, a party intends:

(i) to be immediately bound by this Deed; and

(ii) for such execution to constitute delivery of this Deed to each other party.

(b) Nothing in this clause 6.8 should be taken to exclude any statutory *or* common law principle applicable to the proper execution and delivery of a deed.

(c) This clause 6.8 supersedes, terminates and replaces any prior agreements and communications between the parties which indicate that the agreements recorded in this Deed are "subject to contract" or similar arrangements.

6.9 Conflicting provisions

If there is any conflict between the main body of this Deed and any schedules or annexures comprising it, then the provisions of the schedules and annexures of this Deed prevail.

6.10 No right of set-off

Unless this Deed expressly provides otherwise, a party has no right of set-off against a payment due to another party under this Deed.

6.11 Relationship of parties

Unless this Deed expressly provides otherwise, nothing in this Deed may be construed as creating a relationship of partnership, of principal and agent or of trustee and beneficiary.

6.12 Counterparts

If this Deed consists of a number of signed counterparts, each is an original and all of the counterparts together constitute the same document. A party may sign a counterpart by executing a signature page and electronically transmitting a copy of the signed page to each other party or their authorized representative.

6.13 Governing law and jurisdiction

(a) This Deed is governed by and must be construed in accordance with the laws of the State of Victoria, Australia.

(b) The parties submit to the exclusive jurisdiction of the courts of that State and the Commonwealth of Australia in respect of all matters arising out of or relating to this Deed, its performance or subject matter.

(c) Each party waives any rights to:

(i) object to the venue of any proceedings; or

(ii) claim that the proceedings have been brought in an inconvenient forum or that the courts of another place are a more convenient forum,

if the proceedings have been brought in a court referred *to* in clause 6.13(b).

6.14 Section 409A of the Code

The RSUs are intended to comply with the "short-term deferral" rule set forth in

U.S. Treasury Regulation Section 1.409A-1(b)(4). Notwithstanding the foregoing, if it is determined that the RSUs fail to satisfy the requirements of the short-term deferral rule, the RSUs are intended to comply with Section 409A of the Code **(Section 409A).** If the RSUs are deferred compensation subject to Section 409A, and if Dr. Perry is a "Specified Employee" (within the meaning set forth Section 409A(a)(2)(B){i)} as of the date of his separation from service (within the meaning of Treasury Regulation Section 1.409A-1(h)), then notwithstanding anything to the contrary in Schedule 1 the issuance of any Shares that would otherwise be made upon the date of the separation from service or within the first six months thereafter will not be made on the originally scheduled date(s) and will instead be issued on the date that is six months and one day after the date of the separation from service, with the balance of the Shares issued thereafter in accordance with the original vesting and issuance schedule set forth above, but if and only if such delay in the issuance of the Shares is necessary to avoid the imposition of taxation on Dr. Perry in respect of the shares under Section 409A. Each instalment of Shares that is issued is intended to constitute a "separate payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2). Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Deed comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Dr. Perry on account of non-compliance with Section 409A.

Schedule 1 - Terms and Conditions of the RSUs

(clause 2)

1 Grant of RSUs

The Company has issued to the Participant a holding statement for the 50 million RSUs already issued to the Participant. Upon the issue of the additional 39,554,252 RSUs **(additional RSUs)** under paragraphs 3.3(c) to (e) and 3.5(c) to (g) below the Company will issue to the Participant a holding statement for the additional RSUs. All RSUs granted (and Shares issued or transferred on their vesting) will be registered in the appropriate register of the Company.

For the purposes of these Terms and Conditions, Dr Perry is referred to as the **'Participant'.**

2 Restrictions on dealing with RSUs

Except to a designated beneficiary upon the Participant's death or by will or the laws of descent and distribution, the Participant may not without prior written approval of the Board sell, assign, transfer or otherwise deal with, or grant a Security Interest over, an RSU granted to the Participant. Except to a designated beneficiary upon the Participant's death or by will or the laws of descent and distribution, the RSU lapses immediately on purported sale, assignment, transfer, dealing or the grant of Security Interest, unless the Board in its absolute discretion approves the dealing, or the transfer or transmission is effected by force of law on death or legal incapacity to the Participant's legal personal representative.

3 Operation of RSUs

3.1 Consideration

No cash consideration will be payable on the grant of the RSUs unless otherwise specified in these Terms and Conditions.

3.2 Vesting Conditions

Where the RSUs are subject to Vesting Conditions detailed in paragraphs 3.3 or 3.5 below; and those RSUs will only vest as the respective Vesting Conditions are met and if not met by the specified date, the relevant RSUs will, in the absence of a resolution of the Board of the Company to the contrary, automatically lapse.

The Vesting Conditions relate to the continued tenure (of Dr Perry) as Chief Executive Officer **(CEO)** in accordance with his employment agreement **(Tenure Vesting),** Company Share Price **(Share Price Vesting)** and Milestone performance **(Milestone Vesting}** - as set by the Board of Directors (specified below).

3.3 Tenure Vesting

The Tenure Vesting is deemed satisfied and a maximum of RSUs vest in the following numbers on the following dates, provided the Participant has been [continuously employed by the Company as CEO of the Company as at the relevant date since the grant of the RSUs **(Continuously Employed}]:**

(a) **existing RSUs** issued pursuant to Avita shareholder approval at the 2017 AGM -

(i) 11,111,110 RSUs where the tenure conditions have already been satisfied, to vest on the Initial Vesting Date;

(ii) 5,555,556 RSUs are to vest on 1 June 2020, provided the Participant has been Continuously Employed for the period to 31 May 2020;

(b) subject to shareholder approval at the 2019 AGM the following **additional new RSUs -**

(i) 4,750 ,700 RSUs are to vest on 1 June 2020, provided the Participant has been Continuously Employed for the period to 31 May 2020;

(ii) 4,750,700 RSUs are to vest on 1 June 2021, provided the Participant has been Continuously Employed for the period to 31 May 2021;

(iii) 4,750,700 RSUs are to vest on 1 June 2022, provided the Participant has been Continuously Employed for the period to 31 May 2022.

For clarity if the issue of the RSUs the subject of paragraph 3.3(b) is not approved by shareholders at the Company's 2019 AGM, those RSUs will not be issued by the Company and the Participant will not have any claim or entitlement of any nature against the Company for the failure to issue those RSUs.

3.4 Share Price Vesting

Provided the Participant is and has been Continuously Employed at the relevant time:

(a) 16,666,666 **existing RSUs** issued pursuant to Avita shareholder approval at the 2017 AGM, where the share price conditions have already been satisfied, to vest on the Initial Vesting Date.

3.5 Performance Vesting

Provided the Participant is and has been Continuously Employed at the relevant time, the Performance Vesting is satisfied the following RSUs will vest in the following numbers on the following dates:

(a) **existing RSUs** issued pursuant to Avita shareholder approval at the 2017 AGM -

(i) 8,333,334 RSUs to vest on the Initial Vesting Date;

(ii) 8,333,334 RSUs to vest upon the date there is Initial BARDA Procurement under CLIN2 of the BARDA contract for 5,614 ReCell devices totaling USO $7,594,620;

(b) subject to shareholder approval at the 2019 AGM the following additional new RSUs **-**

(i) 6,850,484 RSUs to vest where the first patient first visit for treatment in an FDA approved US soft tissue/trauma trial by the Company prior to 31 March 2020;

(ii) 6,850,484 RSUs to vest where the first patient first visit for treatment in an FDA approved US pilot vitiligo trial by the Company prior to 30 September 2020;

(iii) 6,850,485 RSUs to vest where the first patient first visit for treatment in an FDA approved US pediatric trial by the Company prior to 30 June 2020;

(iv) 2,375,350 RSUs to vest on the submission before 30 June 2021 to the FDA of an application for approval of a next generation RECELL device (being an improvement of the current RECELL device and providing for ease of clinician use);

(v) 2,375,349 RSUs to vest on approval by FDA approval prior to 30 June 2022 of a next generation RECELL device (being an improvement of the current RECELL device and providing for ease of clinician use).

For clarity if the issue of the RSUs the subject of paragraph 3.5(b) is not approved by shareholders at the Company's 2019 AGM, those RSUs will not be issued by the Company and the Participant will not have any claim or entitlement against the Company of any nature for the failure to issue those RSUs.

3.6 RSU Conversion and Expiry

Each RSU, once vested, will *convert* into one (1) Share credited as fully paid

All RSUs will expire and cannot be exercised, converted or transferred if they have not vested on or before:

(a) in the case of the RSUs detailed in paragraphs 3.3(a), paragraph 3.4(a) and paragraph 3.S(a) - **30 November 2027;** and

(b) in the case of the RSUs detailed in paragraphs 3.3(b) and 3.5(b) - **22 November 2029.**

3.7 Unvested RSUs re termination of employment

Unless an RSU has already vested, in the event of the termination of employment of the Participant:

(a) **Termination for Cause:** All the Participant's unvested RSUs will lapse automatically

(b) **Termination by the Company Without Cause:** All the Participant's unvested RSUs will vest;

(c) **Termination Due to Disability or Death:** All the Participant's unvested RSUs will vest;

(d) **Voluntary Termination for Good Cause:** All the Participant's unvested RSUs will vest;

(e) **Voluntary Termination in all other circumstances :** All the Participant's unvested RSUs will lapse automatically.

3.8 Lapsed RSUs do not vest

A RSU which has lapsed will not vest.

3.9 No vesting of RSU on bankruptcy

It is a condition precedent to the vesting of a RSU that if the Participant 1s an individual the Participant is not bankrupt and has not committed an act of bankruptcy or, if the Participant is deceased, the Participant's estate is not bankrupt or if the Participant is not an individual, the Participant is not insolvent or subject to a resolution or order for winding up.

3.10 Occurrence of a "Change in Control"

Notwithstanding any other paragraph in this Schedule 2 but subject to all applicable laws upon the occurrence of a Control Event **(provided that** the Participant is as at the date of occurrence of a Control Event is still Continuously Employed) , all of the unvested RSUs held by the Participant are deemed to be vested (without the need for any other action by the Company) and any Vesting Conditions are deemed to have been waived or so modified from such occurrence.

4 Delivery of Shares on vesting of RSUs

4.1 Issue or transfer

If the Participant or the Company is liable for taxes, duties or other amounts on the issuance of the resulting Shares on vesting of an RSU and as a consequence the Company is liable to make a payment(s) for whatever reason (including withholding) to the appropriate authorities on account of that liability, unless the Participant and the Company agree otherwise:

(a) the Company will use its reasonable endeavours to introduce potential purchasers for some of the resulting Shares held by the Participant; and

(b) in any event, the Participant must pay to the Company within 5 Business Days of the Taxing Event an amount equal to the Tax Payment and the Company must pay the Tax Payment to the appropriate authorities.

For the purposes of this clause **4** .1.

"Taxing Event" means . in relation to an RSU, the date on which the RSU first became vested pursuant to these Terms and Conditions; and

"Tax Paymen"t means, in relation to any Shares issued pursuant to the vesting of RSUs, the amount of the Company's liability for withholding tax as calculated by the Company (acting reasonably and in good faith) by reference to the extent required by law to the Fair Market Value of the relevant Shares as at the date of the Taxing Event, and notified to the Participant in writing by no later than the Taxing Event.

4.2 Shares issued by the Company to rank pari passu

All Shares issued on the vesting of a Participant's RSUs will rank pari passu in all respects with the Shares of the same class for the time being on issue, except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment of the Shares upon that vesting.

4.3 Shares to be quoted on ASX

If Shares of the same class as those issued or transferred on the vesting of a Participant's RSUs are quoted on the ASX, the Company will apply to the ASX

as required by the Listing Rules for those Shares to be quoted. In the event that the Company undergoes a reorganization that results in the conversion of Shares quoted on the ASX into shares quoted on another exchange, then the Company will apply to the relevant exchange and /or securities regulator (as required) for those converted shares (related to the RSUs that have vested) to be quoted.

5 Reorganization and winding-up

5.1 RSUs may vest at a time earlier than the Prescribed Vesting Date

Notwithstanding any of the above provisions, if the Board, in its absolute discretion but subject to applicable laws, gives notice that any or all of the Participant's RSUs may vest as determined by the Board within a particular time, then the RSUs may vest within that time in addition to any other period during which the RSUs vest.

5.2 Compulsory acquisition, Reorganization or winding up

If:

(a) a person becomes bound or entitled to compulsorily acquire Shares under the Company's Constitution; or

(b) a Reorganization is sanctioned by one or more of the following under the Company's Constitution or otherwise:

(i) a court;
(ii) a general meeting or other meeting of holders of the Company's securities; or
(iii) a meeting of the Company's creditors; or

(c) the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company, then the Board may vest RSUs within a specified period of up to 30 days after the occurrence of the relevant event.

6 Adjustment of RSUs

6.1 No bonus issue

Subject to the preceding paragraphs, during the currency of a Participant's RSU and before its vests, the Participant is not entitled to participate in any bonus issue of Shares pro rata to shareholders of securities of the Company as a result of holding the RSU.

6.2 Sub-division, consolidation, reduction or return

If there is any Reorganization, including any subdivision, consolidation, reduction or return of the issued capital of the Company, the number of RSUs to which each Participant is entitled will be adjusted in the way specified by the Listing Rules (as apply to adjustments for options from time to time).

6.3 No right to participate in new issues

Subject to the preceding paragraphs, during the currency of a Participant's RSU and before its vests, the Participant is not entitled to participate in any new issue of securities of the Company as a result of holding the RSU.

6.4 Accumulation of adjustments

Full effect must be given to these paragraphs 6.1, 6.2 and 6.3 as and when occasions of their application arise and in such manner that the effects of the successive applications of them are cumulative, the intention being that the adjustments they progressively effect must be such as to reflect in relation to the Shares comprised in an RSU.

A Participant has no right to change the number of Shares into which the RSU vests.

Executed as a deed

Signed, Sealed and Delivered by **Dr Michael Perry** in the presence of:	))	/s/ Dr. Michael Perry Signature

/s/ Donna Shiroma
Signature of Witness

Donna Shiroma
Name of Witness (please print)

Executed by Avita Medical Limited ACN 058 466 523 in accordance with section 127(1) of the *Corporations Act 2001 Cth):*	))))	

/s/ Lou Panaccio Signature of director	/s/ Suzanne Crowe Signature of director or company* secretary••delete whichever does not apply
Lou Panaccio, Chairman of the Board Name (please print)	Suzanne Crowe Name (please print)

Exhibit 10.13

K&L GATES

Option Confirmatory Deed

DR MICHAEL PERRY

and

AVITA MEDICAL LIMITED
ACN 058 466 523

Option Confirmatory Deed

Date: 12 November 2019 Parties:

1. **Dr Michael Perry** of 300 Cook St., Denver, CO, 80206, United States **(Dr Perry** or the **Participant)**

2. **Avita Medical Limited** ACN 058 466 523 of 28159 Avenue Stanford. Suite 220, Valencia, CA 91355, United States **(Company)**

Background:

A. At the Company's 2018 AGM on 30 November 2018 shareholders approved the issue to the Company's Managing Director Dr Perry of 15,000,000 Options and those Options were issued on 30 November 2018.

B. This Deed now confirms and records the offer by the Company and the acceptance of those Options by Dr Perry on the terms and conditions of this Deed.

Agreed terms:

1. Definitions and interpretation

1.1 Definitions

In this Deed (including the Schedule):

Board means the board of directors of the Company or a committee appointed by the board of directors of the Company;

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Melbourne, Victoria;

Constitution means the constitution of the Company as may be amended from time to time;

Company means **Avita Medical Limited** ACN 058 466 523;

Control Event means any of the following:

(a) One person (or more than one person acting as a group) acquires ownership of stock of the Company that, together with the stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company; provided that a Control Event shall not occur if any person (or more than one person acting as a group) owns more than 50% of the total fair market value or total voting power of the Company's stock and acquires additional stock; or

(b) One person (or more than one person acting as a group) acquires (or has acquired during the twelve-month period ending on the date of the most recent acquisition) ownership of the Company's stock possessing 30% or more of the total voting power of the stock of such corporation; or

(c) A majority of the members of the Board is replaced during any twelve- month period by directors whose appointment or election is not endorsed by a majority of the Board before the date of appointment or election; or

(d) One person (or more than one person acting as a group), acquires (or has acquired during the twelve-month period ending on the date of the most recent acquisition) assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately before such acquisition(s),

in all of the above events a “Control Event” will only occur if it qualifies as a change in control event under Section 409A of the Internal Revenue Code but for clarity a “Control Event” excludes any solvent reconstruction or re- organization of the Company or its entities (including without limitation the interposition of a new holding entity to the group);

Corporations Act means the *Corporations Act 2001 (Cth);*

Deed means this deed including the background, any schedules and any annexures;

Employment Agreement means the agreement dated 12 November 2019 containing the terms and conditions upon which Dr Perry is employed by the Company as CEO of the Company;

Fair Market Value means, in relation to Shares issued resulting from the exercise of Options:

(a) the closing sale price per share of ordinary shares of the Company on a recognized securities exchange or over-the-counter market on which the ordinary shares of the Company are principally traded on the date on which Fair Market Value is being determined;

(b) if the ordinary shares of the Company are not traded on the date the Shares are issued due to a trading suspension or trading halt undertaken to facilitate a private placement of the Company, the value of ordinary shares of the Company sold in the private placement or

(c) if the ordinary shares of the Company are not then listed on any recognized securities exchange or traded in an over-the-countermarket or the value of such Shares is not otherwise determinable, the value as reasonably determined by the Board in good faith.

Liquidation means the passing of a resolution for voluntary winding up, or the making of an order for the compulsory winding up of the Company;

Options means 15,000,000 unlisted options to acquire 15,000,000 fully paid ordinary Shares in the capital of the Company;

Reorganization means any merger, consolidation, reconstruction or other reorganization in respect of the Company, including any compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company;

Security Interest means:

(a) an interest or power reserved in or created or otherwise arising in or over an interest in any asset whether under a bill of sale, mortgage, charge, lien, pledge, other security interest or preferential arrangement (including retention of title). trust or power or otherwise by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation;

(a) a security interest as defined in *Personal Property Securities Act 2009 (Cth)* **(PPSA)** and to which the PPSA applies; or

(b) any agreement to grant or create anything referred to in either *of* paragraph (a) or (b) of this definition and any other thing which gives a creditor priority to any other creditor with respect to any asset or an interest in any asset;

Share means a fully paid ordinary share in the capital of the Company;

“Taxing Event” means the date on which any Shares are issued to Participant pursuant to exercise of Options;

“Tax Payment” means. in relation to any Shares issued pursuant to the exercise of Options, the amount of the Company's liability for withholding tax as calculated by the Company (acting reasonably

and in good faith) by reference to the extent required by law to the Fair Market Value of the relevant Shares as at the date of the Taxing Event, and notified to the Participant in writing by no later than the Taxing Event;

Terms and Conditions means the Options terms and conditions set out in Schedule 1 of this Deed as approved by shareholders at the Company's 2018 Annual General Meeting;

Unvested Options means Options for which their respective vesting conditions have not been met;

Termination for Cause has the meaning in section 5.1 of the Employment Agreement;

Termination Due to Disability or Death has the meaning in section 5.3 of the Employment Agreement;

Termination Without Cause has the meaning in section 5.2 of the Employment Agreement;

Vested Option means an Option in respect of which all vesting conditions have been met or which are otherwise exercisable (as contemplated by Schedule 1);

Voluntary Termination has the meaning as provided in section 5.4 of the Employment Agreement;

Voluntary Termination for Good Cause has the meaning as provided in section 5.5 of the Employment Agreement.

1.2 Interpretation

In this Deed. unless the context requires otherwise:

(a) the singular includes the plural and vice versa;

(b) a gender includes the other genders;

(c) headings are used for convenience only and do not affect the interpretation of this Deed;

(d) other grammatical forms of a defined word or expression have a corresponding meaning;

(e) a reference to a document is to that document as amended, novated, supplemented, extended or restated from time to time;

(f) a reference to a party is to a party to this Deed and includes that party's executors, administrators, successors, permitted assigns and permitted substitutes;

(g) if something is to be or may be done on a day that is not a Business Day then it must be done on the next Business Day;

(h) “person” includes a natural person, partnership, body corporate, association, joint venture, governmental or local authority, and any other body or entity whether incorporated or not:

(i) “month” means calendar month and “year” means 12 consecutive months ;

U) a reference to a thing (including a right) includes a part of it but nothing in this clause implies that part performance of an obligation constitutes performance of that obligation;

(k) a reference to all or any part of a statute, rule, regulation or ordinance **(statute)** is to that statute as amended, consolidated, re-enacted or replaced from time to time;

(I) “include”, “for example” and any similar expressions are not used, and must not be interpreted, as words of limitation;

(m) money amounts are stated in Australian currency unless otherwise specified;

(n) a reference to a time of day is to that time in Melbourne, Victoria;

(o) a reference to any agency or body that ceases to exist, is reconstituted, renamed or replaced, or has its powers or functions removed **(defunct body)** is to the agency or body that performs most closely the powers or functions of the defunct body;

(p) any provision in this Deed which is in favor of more than one person benefits all of them jointly and each of them severally; and

(q) any provision in this Deed which binds more than one person binds all of them jointly and each of them severally.

2. Terms and conditions of Options

2.1 Terms and conditions approved by Shareholders

The parties agree that the Options are issued and governed by the terms of this Deed (including the Terms and Conditions as set out in Schedule 1).

2.2 Agreement by Dr Perry

Dr Perry agrees that he will hold the Options on the terms and conditions set out in this Deed (including the Terms and Conditions as set out in Schedule 1).

2.3 Issue of Shares on exercise of the Options

On exercise of the Options (or any of them). the Company will in accordance with the Terms and Conditions issue to Dr Perry that number of Shares represented by the exercised Options and Dr Perry agrees to hold those Shares issued in accordance with the Company's Constitution (as amended from time to time). Other than compliance with Section 1043A of the Corporations Act (possession of inside information) and the Company's then applicable securities trading policy (as applicable to all of the Company's employees), on filing a cleansing notice by the Company under section 708A of the Corporations Act (which the Company shall use its best endeavours to file on or within 5 Business Days of the relevant issue of Shares), there will be no restriction under Australian law on Dr Perry dealing in those Shares.

If the Participant or the Company is liable for taxes, duties or other amounts on the issuance of the resulting Shares and as a consequence the Company is liable to make a payment(s) for whatever reason (including withholding) to the appropriate authorities on account of that liability, unless the Participant and the Company agree otherwise:

(a) the Company will use its reasonable endeavours to introduce potential purchasers for some of the resulting Shares held by the Participant and

(b) in any event, the Participant must pay to the Company within 5 Business Days of the Taxing Event an amount equal to the Tax Payment and the Company must pay the Tax Payment to the appropriate authorities.

2.4 Re-organization

Where for any reason the Company undertakes a solvent reconstruction or re- organization of the Company or its entities (including without limitation the interposition of a new holding entity to the group), Dr Perry agrees to exchange (on a “like for like” basis) his Options for new options (on substantially the same terms and conditions as provided in this Deed) in the new parent entity which arises on such solvent reconstruction or re-organization.

3. Contracts of employment and other employment rights

3.1 No change to employment terms

The participation in the issue of the Options does not change or vary any of the terms and conditions of employment of Dr Perry as set out in the Employment Agreement.

3.2 No right to future employment or engagement

Without limiting clause 3.1 above, this Deed does not confer on Dr Perry any right to future employment or engagement and does not affect any rights which the Company may have to terminate his employment or engagement.

3.3 Acknowledgments

It is acknowledged and accepted by Dr Perry and the Company that the terms of this Deed creates legally binding obligations on the parties but do not form part of the terms and conditions of Dr Perry's employment or other engagement contract, nor do the terms of this Deed constitute a contract or arrangement (including any related condition or collateral arrangement) in relation to Dr Perry's employment or other engagement contract.

4. Cessation of appointment/employment and lapsing of options

4.1 Unvested Options re Termination

Unless an Option has already vested, if Dr Perry ceases to be appointed or employed by the Company for any reason:

(a) **Termination for Cause:** All the Participant's unvested Options will lapse automatically;

(b) **Termination Without Cause:** All the Participant's unvested Options will vest;

(c) **Termination Due to Disability or Death:** All the Participant's unvested Options will vest;

(d) **Voluntary Termination for Good Cause:** All the Participant's unvested Options will vest;

(e) **Voluntary Termination in all other circumstances:** All the Participant’s unvested Options will lapse automatically.

4.2 Vested Options re Termination

In respect of vested Options, if Dr Perry ceases to be appointed or employed by the Company for any reason:

(a) **Termination for Cause:** The Participant may for up to 30 days exercise his vested Options and if not exercised in that period, all unexercised Options will lapse automatically;

(b) **Termination Without Cause:** The Participant may for up to 60 days exercise his vested Options and if not exercised in that period, all unexercised Options will lapse automatically;

(c) **Termination Due to Disability or Death:** The Participant may for up to 60 days exercise his vested Options and if not exercised in that period, all unexercised Options will lapse automatically;

(d) **Voluntary Termination for Good Cause:** The Participant may for up to 30 days exercise his vested Options and if not exercised in that period, all unexercised Options will lapse automatically;

(e) **Voluntary Termination in all other circumstances:** The Participant may for up to 30 days

exercise his vested Options and if not exercised in that period, all unexercised Options will lapse automatically.

4.3 Liquidation

On Liquidation, all Options which have not been exercised will lapse with immediate effect upon such Liquidation.

4.4 Control Event

On the occurrence of a Control Event, all Options (notwithstanding any the existence of any vesting conditions unsatisfied immediately prior to the occurrence of a Control Event) may be exercised during the period being the lesser of the following periods:

(a) 90 day period following the occurrence of that event. or

(b) the period from the occurrence of that event to the expiry date of the Options,

after the expiry of which all unexercised Options shall lapse with immediate effect.

5. Administration by the Board

5.1 Powers of the Board

This Deed will be managed by the Board. which will have power (which must be exercised reasonably and in good faith) to:

(a) determine appropriate procedures for the administration of this Deed;

(b) resolve conclusively all questions of fact or interpretation arising in connection with this Deed;

(c) determine matters falling for determination under this clause in its discretion having regard to the interests of and for the benefit of the Company;

(d) exercise the discretions conferred on it by this clause or which may otherwise be required in relation to this Deed; and

(e) delegate to any one or more persons (for such period and on such conditions as it may determine) the exercise of any of its powers or discretions arising under this Deed.

6. Notices

Any notice or other communication to or by a party under this Deed:

(a) must be given in accordance with this clause;

(b) may be given by personal service, or certified return post (signature required by Dr Perry or Mrs. Arlene Perry);

(c) must be in writing, legible and in English addressed (depending on the manner in which it is given) as shown below:

(i) If to Dr Perry:

Address: 300 Cook St., Denver. CO, 80206. United States
Attention: Dr. Michael Perry or Mrs. Arlene Perry

(ii) If to the Company:

Address: 28159 Avenue Stanford, Suite 220, Valencia, CA 91355, United States
Attention: Chief Financial Officer

or addressed in accordance **with** any updated details last notified by the party to the sender by notice given in accordance with this clause;

(d) must be signed:

(i) in the case of a corporation registered in Australia, by any authorized representative or by the appropriate office holders of that corporation under section 127 of the Corporations Act; or

(ii) in the case of a corporation registered outside of Australia, by a person duly authorized by the sender in accordance with the laws governing the place of registration of that corporation; and

(e) is deemed to be given by the sender and received by the addressee:

(i) if delivered in person, when delivered to the addressee;

(ii) if posted, at 9.00 am on the fourth Business Day after the date of posting to the addressee whether delivered or not; or

but if the delivery or receipt is on a day which is not a Business Day or is after 4.00 pm (addressee's time), it is deemed to have been received at 9.00 am on the next Business Day.

7. General

7.1 Entire understanding

(a) This Deed contains the entire understanding between the parties concerning the subject matter of this Deed and supersedes, terminates and replaces all prior agreements and communications between the parties concerning that subject matter.

(b) All terms, warranties and conditions implied or imposed by statute or general law are excluded from this Deed, except any term, warranty or condition the exclusion of which would:

(i) contravene the statute or general law which implied or imposed it; or

(ii) cause this clause to be void.

(c) Each party acknowledges that, except as expressly stated in this Deed, it has not relied on any representation, warranty, undertaking or statement made by or on behalf of another party in relation to this Deed or its subject matter.

7.2 No adverse construction

No provision of this Deed is to be construed to the disadvantage of a party solely because that party was responsible for preparing or proposing this Deed or the provision.

7.3 No waiver

(a) A failure to exercise, a delay in exercising or partially exercising any power, right or remedy conferred on a party by or in respect of this Deed does not operate as a waiver by that party of the power, right or remedy.

(b) A single or partial exercise of any power, right or remedy does not preclude a further exercise of it or the exercise of any other power, right or remedy.

(c) A waiver of a breach does not operate as a waiver of any other breach.

7.4 Remedies cumulative

Except as set out in this Deed, the powers, rights and remedies under this Deed are cumulative with and not exclusive of any powers, rights and remedies provided by law independently of this Deed.

7.5 Severability

Any provision of this Deed which is invalid in any jurisdiction must, in relation to that jurisdiction, be:

(a) read down to the minimum extent necessary to achieve its validity, if applicable; and

(b) severed from this Deed in any other case,

without invalidating or affecting the remaining provisions of this Deed or the validity of that provision in any other jurisdiction.

7.6 Consents and approvals

Unless this Deed provides otherwise, where anything depends on the consent or approval of a party, then that consent or approval may be given conditionally, unconditionally or withheld, in the absolute discretion of that party.

7.7 No variation

This Deed cannot be amended or varied except in writing signed by the parties.

7.8 Assignment

Except to a designated beneficiary upon Dr Perry's death or by will or the laws of descent and distribution, Dr Perry may not without prior written approval of the Board sell, assign, transfer or otherwise deal with, or grant a Security Interest over, an Option granted to Dr Perry.

Except to a designated beneficiary upon Dr Perry's death or by will or the laws of descent and distribution, the Option lapses immediately on purported sale, assignment transfer, dealing or the grant of Security Interest, unless the Board in its absolute discretion approves the dealing, or the transfer or transmission is effected by force of law on death or legal incapacity to Dr Perry's legal personal representative.

7.9 Execution and delivery

(a) By executing this Deed, a party intends:

(i) to be immediately bound by this Deed; and

(ii) for such execution to constitute delivery of this Deed to each other party.

(b) Nothing in this clause 7.9 should be taken to exclude any statutory or common law principle applicable to the proper execution and delivery of a deed.

(c) This clause 7.9 supersedes, terminates and replaces any prior agreements and communications between the parties which indicate that the agreements recorded in this Deed are “subject to contract” or similar arrangements .

7.10 Conflicting provisions

If there is any conflict between the main body of this Deed and any schedules or annexures comprising it, then the provisions of the schedules and annexures of this Deed prevail.

7.11 No right of set-off

Unless this Deed expressly provides otherwise, a party has no right of set-off against a payment due to another party under this Deed.

7.12 Relationship of parties

Unless this Deed expressly provides otherwise, nothing in this Deed may be construed as creating a relationship of partnership, of principal and agent or of trustee and beneficiary.

7.13 Counterparts

If this Deed consists of a number of signed counterparts, each is an original and all of the counterparts together constitute the same document. A party may sign a counterpart by executing a signature page and electronically transmitting a copy of the signed page to each other party or their authorized representative.

7.14 Section 409A of the Code

The Company makes no representation or warranty regarding the proper treatment of the Options issued under this Deed or Shares issued on exercise of the Options for purposes of Code Section 409A. Notwithstanding the foregoing, in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Or. Perry on account of non-compliance with Section 409A.

7.15 Governing law and jurisdiction

(a) This Deed is governed by and must be construed in accordance with the laws of the State of Victoria, Australia.

(b) The parties submit to the exclusive jurisdiction of the courts of that State and the Commonwealth of Australia in respect of all matters arising out of or relating to this Deed, its performance or subject matter.

(c) Each party waives any rights to:

(i) object to the venue of any proceedings; or

(ii) claim that the proceedings have been brought in an inconvenient forum or that the courts of another place are a more convenient forum,

if the proceedings have been brought in a court referred to in clause 7.15(b).

Executed as a deed

Signed, Sealed and Delivered by **Dr Michael Perry** in the presence of:)

/s/ Chris Soto
Signature

/s/ Donna Perry
Signature of Witness

DONNA PERRY
Name of Witness (please print)

Executed by **Avita Medical Limited ACN 058 466 523** in accordance with section 127(1) of the Corporations Act 2001 (Cth):

/s/ Lou Panaccio
Signature of director

Lou Panaccio. Chairman of the Board
Name (please print)

/s/ Suzanne Crowe
Signature of director or company secretary*
*delete whichever does not apply

SUZANNE CROWE
Name (please print)

Schedule 1 — Terms and Conditions of the Options

Each Option entitles the holder (**Option Holder**) to subscribe for and be issued one fully paid ordinary share **(Share)** in **Avita Medical** Ltd ACN **058 466 523 (Company)** on terms including the following:

1. Subject to clauses 2 and 3 of this Schedule and any restrictions imposed by the Australian Securities Exchange **(ASX},** each Option is exercisable at any time after the date on which the relevant Option has vested **(Vesting Date)** up and until the expiry date being 30 November 2028 **(Expiry Date).** Any Options not exercised by the Expiry Date will automatically lapse on the Expiry Date.

2. The aggregate of 15,000,000 Options is subject to vesting conditions based on tenure of Dr Perry, (ii) the Company's Share Price and (iii) milestone performance by the Company as follows:

   (a) *Tenure* - A tranche of 3,333.333 Options, with 1,666,666 which the Company acknowledges have already vested prior to the date of this deed in accordance with the tenure conditions as specified in the Company's 2018 AGM notice, and 1,666,667 to vest on 1 June 2020;

   (b) *Company Share Price* - In aggregate the Company acknowledges that a further 9,166,667 Options have prior to the date of this deed already vested in Dr Perry in accordance with the share price vesting conditions as specified in the Company's 2018 AGM notice;

   (c) *Milestone Performance* - Provided Dr Perry is still employed by the Company, a further tranche of 2,500,000Options to vest upon the achievement of the milestones “Initial procurement under the BARDA contract” under CLIN2 of the BARDA contract for 5,614 ReCell devices totaling USD $7,594,620.

3. The Options may be exercised for part or all of the Options issued by the Option Holder giving written notice in the form set out below **(Notice of Exercise)** to the Company at its registered office prior to the Expiry Date.

4. On exercise the Company will issue to the holder for each Option exercised one ordinary share in the capital of the Company credited as fully paid. The exercise price per Option is $0.082 per Share **(Exercise Price).**

5. On receipt by the Company of the Notice of Exercise and payment of the Exercise Price, the Company must, within 3 Business Days and if the Shares are listed on the ASX within the time period prescribed by the Listing Rules of the ASX **(ASX** Listing Rules):

   (a) allot to the Option Holder one Share in the Company for each Option exercised by the Option Holder;

   (b) cause to be dispatched to the Option Holder the relevant acknowledgement of issue, a holding statement or share certificate (as applicable) as soon as is reasonably practicable detailing the issue of the relevant Share/s; and

   (c) issue (if applicable) a new holding statement (or option certificate) for the balance of the Options that remain unexercised.

6. Shares allotted on the exercise of Options will rank equally in all respects with the then existing issued ordinary fully paid shares in the capital of the Company (except in respect to any dividends which shall have been declared but not yet distributed before the actual exercise of an Option) and will be subject to the provisions of the Constitution of the Company.

7. If any Reorganization (including consolidation, subdivision, reduction, return or cancellation) of the issued capital of the Company occurs before the expiry of any Options, the number of Options to which each Option Holder is entitled or the Exercise Price of his or her Options or both must be

reorganized in accordance with the ASX Listing Rules applying to a Reorganization at the time of the Reorganization (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).

8. An Option does not confer the right to participate in new issues of capital offered to holders of Shares **(Rights Entitlement)** during the currency of the Options without exercising the Options. However, the Company will ensure that for the purpose of determining Rights Entitlements to any such issue, the Option Holder is to receive at least 10 Business Days written notice from the Company of the pending closing or record date and sufficient time for the Option Holder to exercise the Options prior to that closing or record date in order to qualify for the participation in the Rights Entitlement.

9. If the Shares are listed for quotation on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation or listing of all Shares allotted on the exercise of any Options within 10 Business Days (as defined in the Listing Rules of the ASX) of allotment. In the event that the Company undergoes a reorganization that results in the conversion of Shares quoted on the ASX into shares quoted on another exchange, then the Company will apply to the relevant exchange and *for* securities regulator as required for those converted shares related to the Option shares to be quoted.

10. In the event of the Liquidation of the Company, all unexercised Options will lapse upon the occurrence of that Liquidation.

11. The Options do not provide any entitlement to dividends paid to ordinary shareholders.

12. The Options do not entitle the Option Holder to vote at any meeting of shareholders.

13. To the extent (if any) that any of these Option Terms and Conditions or this Deed are inconsistent with or contrary to the ASX Listing Rules, the ASX Listing Rules provisions will prevail and these Option Terms and Conditions are deemed to incorporate the relevant ASX Listing Rules provisions as an amendment to these terms; and

14. These Terms and Conditions are governed by the laws of Victoria. The parties submit to the non-exclusive jurisdiction of the courts of Victoria.

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into by and between AVITA Medical, Inc. and AVITA Medical Americas, LLC. (collectively, the "Company") and Michael Holder, an individual (the "Executive") with reference to the following:

RECITALS

WHEREAS the Company desires to employ Executive to serve as the Chief Financial Officer of the Company;

WHEREAS the Executive is willing to serve in the role of Chief Financial Officer of the Company and provide services to the Company and its subsidiaries and affiliates under the terms and conditions stated herein,

WHEREAS, the Executive would serve as Chief Financial Officer of the Company, effective as of March 22, 2021 (the "Effective Date"),

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and intending to be legally bound, it is hereby agreed by and between the parties hereto as follows:

1. Employment and Duties

1. 1 Employment. The Company hereby employs the Executive as the Chief FinancialOfficer of the Company and the Executive hereby accepts such employment as of the Effective Date pursuant to the terms and conditions set forth herein. The Executive shall report directly to the Chief Executive Officer ("CEO").

1.2 Duties. The Executive shall perform, to the best of his ability and in a manner satisfactory to the CEO, all such duties that are consistent with Executive's title and position, and such other duties as may reasonably be assigned to him by the CEO. The Executive's duties will be conducted principally from the Company's North America office, currently located in Valencia, California, or at such other location as determined by the CEO (but subject to the terms of this Agreement), with travel to such other locations from time to time as reasonably required.

1.3 Time and Efforts. The Executive shall devote his full business time and provide his best efforts, attention, and energies to the business of the Company, and its subsidiaries and affiliates, and to the performance of Executive's duties hereunder, and Executive shall not engage in any other business, profession or occupation for compensation or otherwise during the employment period without the prior written consent of the Board of Directors (the "Board"); provided that, nothing herein shall preclude Executive from serving in any capacity with any civic, educational, or charitable organization , and provided, further that, in each case, and in the aggregate, such services do not materially conflict or interfere with Executive's obligations to the Company, and its subsidiaries and affiliates hereunder and such service is disclosed in advance by Executive to the Board. Notwithstanding the above, the Executive may serve as outside

director of up to two (2) corporate or advisory boards subject to CEO approval and provided that such service does not materially conflict or interfere with Executive's obligations to the Company and there are no real or perceived conflicts of interest.

Executive further acknowledges that he owes the Company both a fiduciary duty and a duty of loyalty while employed during the employment period to act at all times in the best interests of the Company, and its subsidiaries and affiliates.

2. Compensation

As the total consideration for the Executive's services rendered hereunder, Executive shall be entitled to the following:

2.1 Base Salary. The Executive shall be paid an annual base salary of Four Hundred Twenty-Five Thousand Dollars ($425,000.00) per year ("Base Salary"), subject to applicable tax deductions and withholdings, beginning on the Effective Date of the Agreement and payable in regular installments in accordance with the customary payroll practices of the Company. The Executive's salary will be subject to annual review by the Board and may be increased in the sole discretion of the Board.

2.2 Bonus and Relocation Expenses.

(a) Annual Performance Bonus. In addition to Base Salary, the Executive shall be eligible to receive an annual performance bonus ("Annual Bonus") based upon the Company's performance and Executive's performance for the preceding year as measured against certain performance targets as mutually established by the parties to this Agreement as determined by the Board and CEO. The Annual Bonus, if earned, shall be paid on or around the March timeframe of the following year. The amount of the Annual Bonus shall be forty percent (40%) of Executive's Base Salary ("Target Bonus"). For 2021, Executive will be eligible to receive an Annual Bonus of up to forty percent (40%) of the pro-rata share of the Base Salary (excluding any other bonus or compensation) Executive earned in 2021. At the sole discretion of the Board, Executive may be entitled to an additional amount of up to fifty percent (50%) of the Target Bonus based upon performance. For the Annual Bonus to be deemed earned, and in order to be eligible and entitled to receive any Annual Bonus payment, the Executive must be employed by, and not have given notice of resignation to the Company or have been given notice of termination by the Company at the time the Annual Bonus is determined and paid to Executive.

(b) Relocation Expenses. Executive shall be given a lump sum of Thirty Thousand Dollars ($30,000) grossed up as subject to applicable federal, state, local taxes, and withholdings. Executive will be required to move to the Valencia area upon the opening up of businesses by the Governor of California or when employees are required to return to the workplace, whichever is earlier. Executive will be required to reimburse the Company in full should he fail to relocate to the Valencia area within three (3) months of the Company returning to the workplace following the current pandemic.

2.3 Equity. Subject to approval of the Company's Board, Executive shall be eligible for 150,000 options which will vest as follows:

- 112,500 options will vest based upon Executive achieving certain established metrics as agreed upon between Executive and the CEO;

- 37,500 options will vest based on Executive's continued employment with the Company at a rate of 9,375 per year for four (4) years, commencing with the first 9,375 option installment, which will vest upon the completion of Executive's first year of service.

Any such equity grants shall be subject to the terms of a Share Option Agreement and the governing equity plan which will be provided to the Executive within thirty (30) days of his Effective Date. In addition, Executive shall be eligible for the annual equity grants under the 2020 Omnibus Incentive Plan once the plan has been implemented.

2.4 Business Expenses. During employment, the Executive is entitled to reimbursement for reasonable and necessary business expenses incurred by Executive in connection with the performance of Executive's duties, subject to proper documentation and approval as required pursuant to the applicable Company expense reimbursement policies.

2.5 Fringe Benefits. The Executive shall be entitled to fringe benefits in accordance with the plans, practices, programs and policies applicable to other peer executives of the Company.

2.6 Vacation. The Executive shall be entitled each year to a vacation, during which time his compensation shall be paid in full. The time allotted for such vacation shall be four (4)weeks per year. Executive can accrue up to six (6) weeks of vacation time, at which point no additional vacation may accrue beyond the six (6) weeks until a portion thereof is used. Any accrued vacation will roll over into the following calendar year and will not be forfeited. The Executive agrees to schedule planned vacation to be taken at a time mutually convenient to the Executive, CEO, and the Company.

2.7 Health Insurance and Benefits. The Executive shall be eligible to participate in the Company's health, dental and vision plans, as well as the Company's 401k program, pursuant to the terms of these plans and programs.

3. Term and Termination of Employment

3.1 At-Will Employment. The Company and the Executive hereby agree that the Executive's employment by the Company shall be "at-will" and for an indefinite period of time. Subject to the provisions of this Section, both the Executive and the Company shall have the right to terminate this Agreement and the employment relationship at any time and for any reason, with or without Cause, with or without Good Reason, and with or without advance notice.

3.2 Definitions.

(a) **Cause.** For purposes of this Agreement, "Cause" shall mean the occurrence of one or more of the following: (i) conviction of, or a plea of guilty or nolo contendere to, a felony or crime involving moral turpitude; (ii) participation in an act of fraud

or theft against the Company; (iii) willful and material breach of any contractual, statutory, fiduciary, or common law duty owed to the Company including without limitation Section 4.1 of this Agreement; (iv) intentional and repeated failure of Executive to perform Executive's job duties after receiving notice of the stated deficiencies and Executive willfully failing to address the deficiencies and deliberately continuing to not perform stated job duties; or (v) any willful, deliberate, premeditated act by Executive that materially and demonstrably injures the reputation, business, or a business relationship of the Company.

(b) **Good Reason.** For purposes of this Agreement, "Good Reason" shall mean: (i) a material diminution in Executive's authority, duties, or responsibilities in effect at the time of this Agreement; (ii) any reduction in the Executive' s then-current base salary; (iii) relocation of Executive's principal place of work by a distance of fifty (50) miles or more from the Executive' s then-current principal place of work without the Executive's consent; (iv) material breach by the Company of any provision of this Agreement; or (v) the occurrence of a Change in Control of the Company as defined in Section 3.2(c) below, provided, however , that the conduct described in the foregoing subsections (i) through (iv) will only constitute Good Reason if such conduct is not cured within thirty (30) days after the Company's receipt of written notice from the Executive specifying the particulars of the conduct the Executive believes constitutes Good Reason and such notice shall be given within thirty (30) days of the occurrence of such event or conduct.

(c) **Change in Control.** For purposes of this Agreement, "Change in Control" shall mean any of the following events occurring after the date of this Agreement: (i)a sale or transfer of all or substantially all of the assets of the Company; (ii) any merger, consolidation or acquisition of the Company with, by or into another corporation, entity or person; (iii) any change in ownership of more than fifty percent (50%) of the voting capital stock of Company in one or more related transactions such as a buy out or exit of the Company(but excluding any change in stock listing).

3.3 Termination

(a) **Termination for Cause or Resignation without Good Reason.** In the event that the Company terminates the Executive' s employment for Cause or the Executive resigns his employment without Good Reason, this Agreement will terminate without further obligations to Executive other than the following: Executive shall be entitled to receive his unpaid base salary earned through his last day of employment, accrued but unused vacation pay, and vested benefits through and including Executive's last day of employment.

(b) **Involuntary Termination Without Cause or Resignation With Good Reason.** In the event of either an involuntary termination of the Executive' s employment Without Cause or a voluntary resignation by the Executive for Good Reason, in exchange for the Executive signing a separation and release of all claims agreement in a form acceptable to the Company, the Company shall provide the Executive with the following severance benefits in accordance with the timing set forth in Section 3.3(b)(v) below:

(i) Base Salary: The Company shall pay the Executive the equivalent of nine (9) months of the Executive's annual base salary in effect

at the time of the termination Without Cause or resignation with Good Reason in one lump sum payment, less standard deductions and withholdings.

(ii) Three Months Notice: The Company shall provide the Executive three (3) months prior written notice in the event of an involuntary termination of the Executive's employment Without Cause or a voluntary resignation by the Executive for Good Reason.

(iii) Benefits Coverage. The Company shall continue to provide group health, vision, and dental plan benefits to the Executive for a period of nine (9) months from and after the date of termination, with the cost of all regular premiums for such benefits paid by the Company (or its successor).

(iv) Equity. Executive's stock options shall immediately accelerate so that l 00% of any then unvested stock options shall immediately vest and become exercisable upon the date of Executive's termination Without Cause or resignation with Good Reason and shall continue to be exercisable for three (3) months

(v) Timing of Payments. The severance benefits in the above subsection 3.3(b)(i) shall be paid to Executive no later than fifteen (15) days from the date the Executive signs the severance and release agreement and the revocation period, if any, has expired.

(c) **Termination or Resignation In Connection With Change In Control.** In the event Executive is terminated or resigns in connection with or within one (1) year following a Change in Control or for Good Reason as defined in 3.2(b) and 3.2(c), respectively, the Executive shall be entitled to all of the severance benefits set forth in Section 3.3(b) above.

4. Proprietary Information

The Executive acknowledges that: (i) the Executive has a major responsibility for the operation, development and growth of the Company's business, and its subsidiaries and affiliates; (ii) the Executive's work for the Company, and its subsidiaries, and affiliates has brought the Executive and will continue to bring the Executive into close contact with "Confidential Information" (as defined below); and (iii) the agreements and covenants contained in this Section 4 are essential to protect the business interests of the Company, and its subsidiaries and affiliates, and that the Company will not enter into this Agreement but for such agreements and covenants. Accordingly, the Executive covenants and agrees to the following:

4.l Confidential Information. Both during the term of the Executive's employment under this Agreement and indefinitely after the Executive is no longer employed as Chief Financial Officer of the Company, the Executive shall not, directly or indirectly, (i) knowingly use for an improper personal benefit any "Confidential Information" that was acquired by,

learned by or disclosed to Executive by reason of the Executive's employment as Chief Financial Officer of the Company (before or after the date of this Agreement), or (ii) disclose any such Confidential Information to any person, business or entity, except in the proper course of the Executive's duties as Chief Financial Officer, of the Company. As used in this Agreement, "Confidential Information" means any and all confidential or proprietary information of the Company, and its subsidiaries and affiliates that is not generally known to the public, including, without limitation, business, financial, marketing, technical, developmental, operating, performance, know-how, and process information, drawings and designs, customer information (including contact information, pricing and buying trends and needs), employee information (including the skills, abilities and compensation of other employees), and other trade secret information, now existing or hereafter discovered or developed. Confidential Information shall include information in any form whatsoever, including, without limitation, any digital or electronic record-bearing media containing or disclosing such information. The provisions of this Section 4 shall not apply to information that has become generally available to the public other than as a result of a disclosure by the Executive. In the event that the Executive is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, then the Executive will notify the Company within two (2) business days of receiving the request or requirement so that the Company may seek an appropriate protective order. If, in the absence of a protective order or the receipt of a waiver hereunder, the Executive is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, the Executive may disclose such Confidential Information to the tribunal; provided, however, that the Executive shall use the Executive's reasonable best efforts to obtain, at the expense and reasonable request of the Company, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as the Company shall designate. The Executive acknowledges that all Confidential Information is the exclusive property of the Company. The Executive further acknowledges that the Executive' s entire work product, including working drafts and work sheets, shall be the sole property of the Company, and that the Executive will have no rights, title or interest in any such material whether prepared by the Executive alone, by others or by the Executive in conjunction with others. Executive agrees as a condition of continued employment to execute the Company's Proprietary Information Agreement protecting the trade secrets and other intellectual property of the Company. ***Defend Trade Secrets Act Notice.*** Executive is hereby notified in accordance with the Defend Trade Secrets Act of 2016 that he will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of la w; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Executive is further notified that if Executive files a lawsuit for retaliation by an employer for reporting a suspected violation of law, Executive may disclose the employer's trade secrets to Executive' s attorney and use the trade secret information in the court proceeding if Executive: (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order.

4.2 Duty of Loyalty and Non-Competition. While employed by the Company, the Executive shall not, without the prior written consent of the Company, participate, directly or indirectly, as an individual proprietor, partner, stockholder, officer, employee, director, manager, joint venture participant, investor, lender, consultant or in any capacity whatsoever (within the United States of America, or in any country where the Company or its subsidiaries or affiliates do business or have reasonable plans to do business) in a business engaged in competition with the Company or any of its subsidiaries or affiliates, or in a business that the Company or any of its subsidiaries or affiliates has taken reasonable steps to engage in (including, but not limited to, meeting with management teams or entering into preliminary or definitive term sheets, letters of intent, purchase agreements, or other similar arrangements or agreements) of which the Executive has knowledge at the time of Executive's employment; provided, however, that such participation shall not include the mere ownership of not more than one percent (1%) of the total outstanding stock of a publicly held company. At all times following the termination of Executive's employment as Chief Financial Officer of the Company for any reason, Executive shall not, either directly or indirectly, engage in any unlawful competitive activities or use confidential trade secret information for any purpose.

4.3 Non-Solicitation. For a period beginning on the Effective Date and ending two (2) years after the date on which the Executive is no longer employed as Chief Financial Officer of the Company (the "Non-Solicitation Period"), the Executive shall not in any capacity, either separately or in association with others: (i) unlawfully solicit for employment or endeavor in any way to unlawfully entice away from employment with the Company, its subsidiaries or affiliates any employee of the Company, its subsidiaries or its affiliates, or any person or entity that had been an employee of the Company or its subsidiaries or affiliates within the six (6) month period preceding the commencement of such activity; nor (ii) use confidential trade secret information to solicit or use any other unlawful means to induce or influence any supplier, customer, agent, consultant or other person or entity that has a business relationship with the Company, or its subsidiaries or affiliates to discontinue, reduce or modify such relationship with the Company or its subsidiaries or affiliates.

4.4 Non-disparagement. The Executive agrees (whether during or after Executive's employment as Chief Financial Officer of the Company) not to issue, circulate, publish or utter any comments or statements to the press or other media, or to any third parties, or to any employees of the Company, and its subsidiaries and affiliates, or any consultants or any individual or entity with whom the Company or its subsidiaries or affiliates has a business relationship, which could reasonably be expected to adversely affect in any manner: (i) the conduct of the business of the Company, or its subsidiaries or affiliates (including, without limitation, any products, services, or business plans or prospects); or (ii) the business reputation of the Company or its subsidiaries or affiliates (including its financial condition or the direction of the business), or any of their respective products or services, or their past or present officers, directors, executives or employees. Notwithstanding the foregoing, nothing contained in this Agreement will be deemed to restrict Executive from providing truthful information to any governmental or regulatory agency (or in any way limit the content of any such information) to the extent requested or required to provide such information pursuant to applicable law or regulation. Nothing in this section is intended to limit Executive's rights under Section 7 of the National Labor Relations Act.

4.5 Return of Property. Upon termination of his employment as Chief Financial Officer of the Company or at any time as the Company requests, the Executive will promptly deliver to the Company all documents (whether prepared by the Company, a subsidiary, an affiliate, the Executive or a third party) relating to the Company, any of its subsidiaries or affiliates or any of their businesses or property that the Executive may possess or have under the Executive's direction or control other than documents provided to the Executive in the Executive's capacity as a participant in any employee benefit plan, policy or program of the Company.

4.6 Remedies. The Executive acknowledges that (i) the Executive has had an opportunity to seek the advice of counsel in connection with this Agreement; (ii) the provisions of this Section 4 are reasonable in scope and in all other respects; (iii) any violation of these provisions will result in irreparable injury to the Company; (iv) money damages may not be an adequate remedy for the Company in the event of a breach of any of these provisions by the Executive; and (v) specific performance in the form of injunctive relief would be an appropriate remedy for the Company. If the Executive breaches or threatens to breach any of these provisions, the Company shall be entitled, in addition to all other remedies, to seek an injunction restraining any such breach, without any bond or other security being required and without the necessity of showing actual damages.

5. Assignment

This Agreement is personal in nature, and neither this Agreement nor any part of any obligation herein shall be assignable by Executive. The Company shall be entitled to assign this Agreement to any subsidiary or affiliate of the Company or any entity that assumes the ownership and control of the business of the Company.

6. Severability

Should any term, provision, covenant or condition of this Agreement be held to be void or invalid, the same shall not affect any other term, provision, covenant or condition of this Agreement, but such remainder shall continue in full force and effect as though each such voided term, provision, covenant or condition is not contained herein.

7. Binding Arbitration

Any and all disputes which involve or relate in any way to this Agreement and/or to Executive's employment or tem1ination of employment as Chief Financial Officer of the Company, whether initiated by Executive or by the Company and whether based on contract, tort, statute, or common law, shall be submitted to and resolved by final, binding and confidential arbitration as the exclusive method for resolving all such disputes. The arbitration shall be private and confidential and conducted in Los Angeles, California pursuant to the Federal Arbitration Act and applicable California law, and pursuant to the applicable rules of the Judicial Arbitration and Mediation Services ("JAMS") relating to employment disputes, unless the parties otherwise mutually agree to modify the JAMS Rules. A copy of the AAA Employment Rules are available for review at

https://www. jamsadr.com/rules-employment -arbitration and are incorporated herein by reference.

The party demanding arbitration shall submit a written claim to the other party, setting out the basis of the claim or claims, within the time period of any applicable statute of limitations relating to such claim(s). If the parties cannot mutually agree upon an arbitrator, then the parties shall select a neutral arbitrator through the procedures established by the AAA. The arbitrator shall have the powers provided under the Federal Arbitration Act relating to the arbitration of disputes, except as expressly limited or otherwise provided in this Agreement. The parties shall have the right to reasonable discovery. The parties agree that the Company shall pay the administration costs of the AAA arbitration, including payment of the fees for the Arbitrator, and any other costs directly related to the administration of the arbitration. The parties shall otherwise be responsible for their own respective costs and attorneys' fees relating to the dispute, such as deposition costs, expert witnesses and similar expenses, except as otherwise provided in this Agreement to the prevailing party.

The arbitrator may award, if properly proven, any damages or remedy that a party could recover in a civil litigation and shall award costs and reasonable attorneys' fees to the prevailing party as provided by law. The award of the arbitrator shall be issued in writing, setting forth the basis for the decision, and shall be binding on the parties to the fullest extent permitted by law, subject to any limited statutory right to appeal as provided by Jaw. Judgment upon the award of the arbitrator may be entered in any state or federal court sitting in Los Angeles, California.

Nothing in this Section shall prevent Executive from filing or maintaining a claim for workers' compensation, state disability insurance, or unemployment insurance benefits, and nothing in this section shall be construed to prevent or excuse Executive or the Company from using existing internal procedures for the resolution of complaints. Employee may bring claims before administrative agencies when the law permits the agency to adjudicate those claims, even when there is an agreement to arbitrate; examples include claims or charges with the United States Equal Employment Opportunity Commission (or comparable state agency), the National Labor Relations Board, the U.S. Department of Labor, or the Office of Federal Contract Compliance Programs. Nothing in this Section shall require arbitration of disputes that are excluded from coverage by this section or by law.

The Company and Executive agree that any dispute in arbitration will be brought on an individual basis only, and not on a class, collective, or representative basis on behalf of others (this agreement to be referred to hereafter as the "Class Action Waiver"). The Class Action Waiver does not apply to any claim that Executive brings on behalf of both herself and others under the California Private Attorney General Act of 2004. Executive will not be subject to any retaliation or discrimination if Executive seeks to challenge this arbitration provision or participate in a class, collective, or representative action in any forum, but Company may lawfully seek enforcement of this Agreement under the Federal Arbitration Act and seek dismissal of any class, collective, or representative actions or claims to the fullest extent allowed by law.

8. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and to be carried out in California. Each of the parties agrees to submit to the personal jurisdiction of any state or federal court sitting in Los Angeles, California in any action or proceeding arising out of or relating to this Agreement.

9. Notice

All notices and other communications under this Agreement shall be in writing and mailed, telegraphed, telecopied, or delivered by hand (by a party or a recognized courier service) to the other party at the following address (or to such other address as such party may have specified by notice given to the other party pursuant to this provision):

If to the Company:
AVITA Medical Americas, LLC
28159 Avenue Stanford
Suite 220
Valencia, CA 91355

If to Executive:
Michael Holder
At current home address on file with the Company

10. Miscellaneous

10.1 Binding Agreement. This Agreement shall inure to the benefit of and shall be binding upon the Company, its successors and assigns.

10.2 Entire Agreement. This Agreement contains the entire agreement of the parties relating to the subject matter hereof, and the parties hereto have made no agreements, representations or warranties relating to the subject matter of this Agreement that are not set forth otherwise herein. In this regard, each of the parties represents and warrants to the other party that such party is not relying on any promises or representations that do not appear in writing herein. This Agreement supersedes any prior verbal or written agreements with the Company regarding Executive's employment or offer of employment, except as specifically referenced herein. Each of the parties further agrees and understands that this Agreement can be amended or modified only by a written agreement signed by all parties.

10.3 Representations and Warranties. Executive and the Company hereby represent and warrant to the other that: (a) he or it has full power, authority and capacity to execute and deliver this Agreement, and to perform his or its obligations hereunder; (b) such execution, delivery and performance will not (and with the giving of notice or lapse of time or both would not) result in the breach of any agreements or other obligations to which he or it is a party or he or it is otherwise bound; (c) this Agreement is a valid and binding obligation in accordance with its terms for both parties; (d) Executive represents and warrants that he is under no other obligations, contractual or otherwise, that could impair his

ability to perform fully and satisfactorily all of his obligations under this Agreement; (e) Executive has had full opportunity to review this Agreement, to obtain all legal advice he has deemed necessary or appropriate and has either done so, or voluntarily and knowingly declined to do so; and (f) neither party has been induced to enter into this Agreement through any promises, threats, coercion, or benefits not set forth expressly in writing in this Agreement.

10.4 Attorney's Fees. In the event that any party shall bring an action or proceeding in connection with the performance, breach or interpretation of this Agreement, then the prevailing party in any such action or proceeding, as determined by the court, arbitrator or other body having jurisdiction, shall be entitled to recover from the losing party all reasonable costs and expenses of such action or proceeding, including reasonable attorneys' fees and court costs.

10.5 Counterparts. This Agreement may be executed on separate copies, any one of which need not contain signatures of more than one party but all of which taken together shall constitute one and the same Agreement.

[Signatures to follow on next page]

IN WITNESS WHEREOF, this Agreement is executed as of March 11, 2021.

"COMPANY"

AVITA Medical, Inc. and
AVITA Medical Americas, LLC

By: _____

Name: Dr. Michael S. Perry

Title: Chief Executive Officer

Date: 03/12/2021

and

"EXECUTIVE"

Michael Holder

By: Michael Holder

Date: March 11, 2021

Exhibit 10.15

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into by and between AVITA Medical Americas, LLC, (the "Company") and Kathy McGee, an individual (the "Executive") with reference to the following:

RECITALS

WHEREAS, the Company desires to employ Executive to serve as the Chief Operating Officer of the Company;

WHEREAS, the Executive is willing to serve in the role of Chief Operating Officer of the Company and provide services to the Company and its subsidiaries and affiliates under the terms and conditions stated herein,

WHEREAS, the Executive would serve as Chief Operating Officer, of the Company, effective as of December 1, 2020 (the "Effective Date"),

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and intending to be legally bound, it is hereby agreed by and between the parties hereto as follows:

1. Employment and Duties

1.1 Employment. The Company hereby employs the Executive as the Chief Operating Officer of the Company and the Executive hereby accepts such employment as of the Effective Date pursuant to the terms and conditions set forth herein. The Executive shall report directly to the Chief Executive Officer ("CEO").

1.2 Duties. The Executive shall perform, to the best of her ability and in a manner satisfactory to the CEO, all such duties that are consistent with Executive's title and position, and such other duties as may reasonably be assigned to her by the CEO. The Executive's duties will be conducted principally from the Company's North America office, currently located in Valencia, California, or at such other location as determined by the CEO (but subject to the terms of this Agreement), with travel to such other locations including the manufacturing facility in Ventura, California from time to time as reasonably required.

1.3 Time and Efforts. The Executive shall devote her full business time and provide her best efforts, attention, and energies to the business of the Company, and its subsidiaries and affiliates, and to the performance of Executive's duties hereunder, and Executive shall not engage in any other business, profession or occupation for compensation or otherwise during the employment period without the prior written consent of the Board; provided that, nothing herein shall preclude Executive from serving in any capacity with any civic, educational, or charitable organization, and provided, further that, in each case, and in the aggregate, such services do not materially conflict or interfere with Executive's obligations to the Company, and its subsidiaries and affiliates hereunder and such service is disclosed in advance by Executive to the Board.

Executive further acknowledges that she owes the Company both a fiduciary duty and a duty of loyalty while employed during the employment period to act at all times in the best interests of the Company, and its subsidiaries and affiliates.

2. Compensation

As the total consideration for the Executive's services rendered hereunder, Executive shall be entitled to the following:

2.1 Base Salary. The Executive shall be paid an annual base salary of Three Hundred Forty Five Thousand Dollars ($345,000.00) per year ("Base Salary"), subject to applicable tax deductions and withholdings, beginning on the Effective Date of the Agreement and payable in regular installments in accordance with the customary payroll practices of the Company. The Executive's salary will be subject to annual review by the Board and may be increased in the sole discretion of the Board.

2.2 Bonus and Relocation Expenses.

(a) Annual Performance Bonus. In addition to Base Salary, the Executive shall be eligible to receive an annual performance bonus ("Annual Bonus") based upon the Company's performance and Executive's performance for the preceding year as measured against certain performance targets as mutually established by the parties to this Agreement as determined by the Board of Directors (the "Board") and CEO. The Annual Bonus, if earned, shall be paid on or around the March timeframe of the following year. The amount of the Annual Bonus shall be thirty percent (30%) of Executive's Base Salary ("Target Bonus"). For 2020, Executive will be eligible to receive an Annual Bonus of up to thirty percent (30%) of the pro-rata share of the Base Salary (excluding any other bonus or compensation) Executive earned in 2020. For the Annual Bonus to be deemed earned, and in order to be eligible and entitled to receive any Annual Bonus payment, the Executive must be employed by, and not have given notice of resignation to the Company, or have been given notice of termination by the Company at the time the Annual Bonus is determined and paid to Executive.

(b) Relocation Expenses. Executive shall be given a lump sum of Twenty Five Thousand Dollars ($25,000) for housing and living expenses to relocate to the Los Angeles area, subject to applicable federal, state, local taxes and withholdings which will be paid to Executive in her first payroll check. Executive will be required to reimburse the Company in full should she fail to relocate to the Los Angeles area within three (3) months of the Company announcing the date of the return to workplace following the current pandemic.

2.3 Equity. Subject to approval of the Company's Board, Executive shall be eligible for 128,000 options which will vest as follows:

- 95,000 options will vest based upon Executive achieving certain established metrics as agreed upon between Executive and the CEO;
- 33,000 options will vest based on Executive's continued employment with the Company at a rate of 8,250 per year for four (4) years, commencing with the

first 8,250 option installment, which will vest upon the completion of Executive's first year of service.

Any such equity grants shall be subject to the terms of a Share Option Agreement and the governing equity plan which will be provided to the Executive within thirty (30) days of her Effective Date.

2.4 Business Expenses. During employment, the Executive is entitled to reimbursement for reasonable and necessary business expenses incurred by Executive in connection with the performance of Executive's duties, subject to proper documentation and approval as required pursuant to the applicable Company expense reimbursement policies.

2.5 Fringe Benefits. The Executive shall be entitled to fringe benefits in accordance with the plans, practices, programs and policies applicable to other peer executives of the Company.

2.6 Vacation. The Executive shall be entitled each year to a vacation, during which time her compensation shall be paid in full. The time allotted for such vacation shall be four (4) weeks per year. Executive can accrue up to six (6) weeks of vacation time, at which point no additional vacation may accrue beyond the six (6) weeks until a portion thereof is used. Any accrued vacation will roll over into the following calendar year and will not be forfeited. The Executive agrees to schedule planned vacation to be taken at a time mutually convenient to the Executive, CEO, and the Company.

2.7 Health Insurance and Benefits. The Executive shall be eligible to participate in the Company's health, dental and vision plans, as well as the Company's 401k program, pursuant to the terms of these plans and programs.

3. Term and Termination of Employment

3.1 At-Will Employment. The Company and the Executive hereby agree that the Executive's employment by the Company shall be "at-will" and for an indefinite period of time. Subject to the provisions of this Section, both the Executive and the Company shall have the right to terminate this Agreement and the employment relationship at any time and for any reason, with or without Cause, with or without Good Reason, and with or without advance notice.

3.2 Definitions.

(a) **Cause**. For purposes of this Agreement, "Cause" shall mean the occurrence of one or more of the following: (i) conviction of, or a plea of guilty or nolo contendere to, a felony or crime involving moral turpitude; (ii) participation in an act of fraud or theft against the Company; (iii) willful and material breach of any contractual, statutory, fiduciary, or common law duty owed to the Company including without limitation Section 4.1 of this Agreement; (iv) willful and repeated failure to satisfactorily perform job duties; or (v) any willful act that is likely to and which does in fact have the effect of injuring the reputation, business, or a business relationship of the Company.

(b) **Good Reason**. For purposes of this Agreement, "Good Reason" shall mean: (i) a material diminution in Executive's authority, duties, or responsibilities in effect at the time of this Agreement; (ii) any reduction in the Executive's then-current base salary; (iii) relocation of Executive's principal place of work by a distance of fifty (50) miles or more from the Executive's then-current principal place of work without the Executive's consent; (iv) material breach by the Company of any provision of this Agreement; or (v) the occurrence of a Change in Control of the Company as defined in Section 3.2(c) below, provided, however, that the conduct described in the foregoing subsections (i) through (iv) will only constitute Good Reason if such conduct is not cured within thirty (30) days after the Company's receipt of written notice from the Executive specifying the particulars of the conduct the Executive believes constitutes Good Reason and such notice shall be given within thirty (30) days of the occurrence of such event or conduct.

(c) **Change in Control**. For purposes of this Agreement, "Change in Control" shall mean any of the following events occurring after the date of this Agreement: (i) a sale or transfer of all or substantially all of the assets of the Company; (ii) any merger, consolidation or acquisition of the Company with, by or into another corporation, entity or person; (iii) any change in ownership of more than fifty percent (50%) of the voting capital stock of Company in one or more related transactions such as a buy out or exit of the Company (but excluding any change in stock listing).

3.3 Termination.

(a) **Termination for Cause or Resignation without Good Reason**. In the event that the Company terminates the Executive's employment for Cause or the Executive resigns her employment without Good Reason, this Agreement will terminate without further obligations to Executive other than the following: Executive shall be entitled to receive he unpaid base salary earned through her last day of employment, accrued but unused vacation pay, and vested benefits through and including Executive's last day of employment.

(b) **Involuntary Termination Without Cause or Resignation With Good Reason**. In the event of either an involuntary termination of the Executive's employment Without Cause or a voluntary resignation by the Executive for Good Reason, in exchange for the Executive signing a separation and release of all claims agreement in a form acceptable to the Company, the Company shall provide the Executive with the following severance benefits in accordance with the timing set forth in Section 3.3(b)(iv) below:

(i) Base Salary: The Company shall pay the Executive the equivalent of nine (9) months of the Executive's annual base salary in effect at the time of the termination Without Cause or resignation with Good Reason in one lump sum payment, less standard deductions and withholdings.

(ii) Three Months Notice: The Company shall provide the Executive three (3) months prior written notice in the event of an involuntary termination of the Executive's employment Without Cause or a voluntary resignation by the Executive for Good Reason.

(iii) Benefits Coverage. The Company shall continue to provide group health, vision, and dental plan benefits to the Executive for a period of nine (9) months from and after the date of termination, with the cost of all regular premiums for such benefits paid by the Company (or its successor).

(iv) Equity. Executive's stock options shall immediately accelerate so that 100% of any then unvested stock options shall immediately vest and become exercisable upon the date of Executive's termination Without Cause or resignation with Good Reason and shall continue to be exercisable for twelve (12) months

(v) Timing of Payments. The severance benefits in the above subsection 3.3(b)(i) shall be paid to Executive no later than fifteen (15) days from the date the Executive signs the severance and release agreement and the revocation period, if any, has expired.

(c) **Termination or Resignation In Connection With Change In Control**. In the event Executive is terminated or resigns in connection with or within one (1) year following a Change in Control or for Good Reason as defined in 3.2(b) and 3.2(c), respectively, the Executive shall be entitled to all of the severance benefits set forth in Section 3.3(b) above.

4. Proprietary Information

The Executive acknowledges that: (i) the Executive has a major responsibility for the operation, development and growth of the Company's business, and its subsidiaries and affiliates; (ii) the Executive's work for the Company, and its subsidiaries, and affiliates has brought the Executive and will continue to bring the Executive into close contact with "Confidential Information" (as defined below); and (iii) the agreements and covenants contained in this Section 4 are essential to protect the business interests of the Company, and its subsidiaries and affiliates, and that the Company will not enter into this Agreement but for such agreements and covenants. Accordingly, the Executive covenants and agrees to the following:

4.1 Confidential Information. Both during the term of the Executive's employment under this Agreement and indefinitely after the Executive is no longer employed as Chief Operating Officer of the Company, the Executive shall not, directly or indirectly, (i) knowingly use for an improper personal benefit any "Confidential Information" that was acquired by, learned by or disclosed to Executive by reason of the Executive's employment as Chief Operating Officer of the Company (before or after the date of this Agreement), or (ii) disclose any such Confidential Information to any person, business or entity, except in the proper course of the Executive's duties as Chief Operating Officer, of the Company. As used in this Agreement, "Confidential Information" means any and all confidential or proprietary information of the Company, and its subsidiaries and affiliates that is not generally known to the public, including, without limitation, business, financial, marketing, technical, developmental, operating, performance, know-how, and process information, drawings and

designs, customer information (including contact information, pricing and buying trends and needs), employee information (including the skills, abilities and compensation of other employees), and other trade secret information, now existing or hereafter discovered or developed. Confidential Information shall include information in any form whatsoever, including, without limitation, any digital or electronic record-bearing media containing or disclosing such information. The provisions of this Section 4 shall not apply to information that has become generally available to the public other than as a result of a disclosure by the Executive. In the event that the Executive is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, then the Executive will notify the Company within two (2) business days of receiving the request or requirement so that the Company may seek an appropriate protective order. If, in the absence of a protective order or the receipt of a waiver hereunder, the Executive is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, the Executive may disclose such Confidential Information to the tribunal; provided, however, that the Executive shall use the Executive's reasonable best efforts to obtain, at the expense and reasonable request of the Company, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as the Company shall designate. The Executive acknowledges that all Confidential Information is the exclusive property of the Company. The Executive further acknowledges that the Executive's entire work product, including working drafts and work sheets, shall be the sole property of the Company, and that the Executive will have no rights, title or interest in any such material whether prepared by the Executive alone, by others or by the Executive in conjunction with others. Executive agrees as a condition of continued employment to execute the Company's Proprietary Information Agreement protecting the trade secrets and other intellectual property of the Company. ***Defend Trade Secrets Act Notice***. Executive is hereby notified in accordance with the Defend Trade Secrets Act of 2016 that she will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Executive is further notified that if Executive files a lawsuit for retaliation by an employer for reporting a suspected violation of law, Executive may disclose the employer's trade secrets to Executive's attorney and use the trade secret information in the court proceeding if Executive: (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order.

4.2 Duty of Loyalty and Non-Competition. While employed by the Company, the Executive shall not, without the prior written consent of the Company, participate, directly or indirectly, as an individual proprietor, partner, stockholder, officer, employee, director, manager, joint venture participant, investor, lender, consultant or in any capacity whatsoever (within the United States of America, or in any country where the Company or its subsidiaries or affiliates do business or have reasonable plans to do business) in a business engaged in competition with the Company or any of its subsidiaries or affiliates, or in a business that the Company or any of its subsidiaries or affiliates has taken reasonable steps to engage in (including, but not limited to, meeting with management teams or entering into preliminary or

definitive term sheets, letters of intent, purchase agreements, or other similar arrangements or agreements) of which the Executive has knowledge at the time of Executive's employment; provided, however, that such participation shall not include the mere ownership of not more than one percent (1%) of the total outstanding stock of a publicly held company. At all times following the termination of Executive's employment as Chief Operating Officer of the Company for any reason, Executive shall not, either directly or indirectly, engage in any unlawful competitive activities or use confidential trade secret information for any purpose.

4.3 Non-Solicitation. For a period beginning on the Effective Date and ending two (2) years after the date on which the Executive is no longer employed as Chief Operating Officer of the Company (the "Non-Solicitation Period"), the Executive shall not in any capacity, either separately or in association with others: (i) unlawfully solicit for employment or endeavor in any way to unlawfully entice away from employment with the Company, its subsidiaries or affiliates any employee of the Company, its subsidiaries or its affiliates, or any person or entity that had been an employee of the Company or its subsidiaries or affiliates within the six (6) month period preceding the commencement of such activity; nor (ii) use confidential trade secret information to solicit or use any other unlawful means to induce or influence any supplier, customer, agent, consultant or other person or entity that has a business relationship with the Company, or its subsidiaries or affiliates to discontinue, reduce or modify such relationship with the Company or its subsidiaries or affiliates.

4.4 Non-disparagement. The Executive agrees (whether during or after Executive's employment as Chief Operating Officer of the Company) not to issue, circulate, publish or utter any comments or statements to the press or other media, or to any third parties, or to any employees of the Company, and its subsidiaries and affiliates, or any consultants or any individual or entity with whom the Company or its subsidiaries or affiliates has a business relationship, which could reasonably be expected to adversely affect in any manner: (i) the conduct of the business of the Company, or its subsidiaries or affiliates (including, without limitation, any products, services, or business plans or prospects); or (ii) the business reputation of the Company or its subsidiaries or affiliates (including its financial condition or the direction of the business), or any of their respective products or services, or their past or present officers, directors, executives or employees. Notwithstanding the foregoing, nothing contained in this Agreement will be deemed to restrict Executive from providing truthful information to any governmental or regulatory agency (or in any way limit the content of any such information) to the extent requested or required to provide such information pursuant to applicable law or regulation. Nothing in this section is intended to limit Executive's rights under Section 7 of the National Labor Relations Act.

4.5 Return of Property. Upon termination of her employment as Chief Operating Officer of the Company or at any time as the Company requests, the Executive will promptly deliver to the Company all documents (whether prepared by the Company, a subsidiary, an affiliate, the Executive or a third party) relating to the Company, any of its subsidiaries or affiliates or any of their businesses or property that the Executive may possess or have under the Executive's direction or control other than documents provided to the Executive in the Executive's capacity as a participant in any employee benefit plan, policy or program of the Company.

4.6 Remedies. The Executive acknowledges that (i) the Executive has had an opportunity to seek the advice of counsel in connection with this Agreement; (ii) the provisions of this Section 4 are reasonable in scope and in all other respects; (iii) any violation of these provisions will result in irreparable injury to the Company; (iv) money damages may not be an adequate remedy for the Company in the event of a breach of any of these provisions by the Executive; and (v) specific performance in the form of injunctive relief would be an appropriate remedy for the Company. If the Executive breaches or threatens to breach any of these provisions, the Company shall be entitled, in addition to all other remedies, to seek an injunction restraining any such breach, without any bond or other security being required and without the necessity of showing actual damages.

5. Assignment

This Agreement is personal in nature, and neither this Agreement nor any part of any obligation herein shall be assignable by Executive. The Company shall be entitled to assign this Agreement to any subsidiary or affiliate of the Company or any entity that assumes the ownership and control of the business of the Company.

6. Severability

Should any term, provision, covenant or condition of this Agreement be held to be void or invalid, the same shall not affect any other term, provision, covenant or condition of this Agreement, but such remainder shall continue in full force and effect as though each such voided term, provision, covenant or condition is not contained herein.

7. Binding Arbitration

Any and all disputes which involve or relate in any way to this Agreement and/or to Executive's employment or termination of employment as Chief Operating Officer of the Company, whether initiated by Executive or by the Company and whether based on contract, tort, statute, or common law, shall be submitted to and resolved by final, binding and confidential arbitration as the exclusive method for resolving all such disputes. The arbitration shall be private and confidential and conducted in Los Angeles, California pursuant to the Federal Arbitration Act and applicable California law, and pursuant to the applicable rules of the Judicial Arbitration and Mediation Services ("JAMS") relating to employment disputes, unless the parties otherwise mutually agree to modify the JAMS Rules. A copy of the AAA Employment Rules are available for review at https://www.jamsadr.com/rules-employment-arbitration and are incorporated herein by reference.

The party demanding arbitration shall submit a written claim to the other party, setting out the basis of the claim or claims, within the time period of any applicable statute of limitations relating to such claim(s). If the parties cannot mutually agree upon an arbitrator, then the parties shall select a neutral arbitrator through the procedures established by the AAA. The arbitrator shall have the powers provided under the Federal Arbitration Act relating to the arbitration of disputes, except as expressly limited or otherwise provided in this Agreement. The parties shall have the right to reasonable discovery. The parties agree

that the Company shall pay the administration costs of the AAA arbitration, including payment of the fees for the Arbitrator, and any other costs directly related to the administration of the arbitration. The parties shall otherwise be responsible for their own respective costs and attorneys' fees relating to the dispute, such as deposition costs, expert witnesses and similar expenses, except as otherwise provided in this Agreement to the prevailing party.

The arbitrator may award, if properly proven, any damages or remedy that a party could recover in a civil litigation and shall award costs and reasonable attorneys' fees to the prevailing party as provided by law. The award of the arbitrator shall be issued in writing, setting forth the basis for the decision, and shall be binding on the parties to the fullest extent permitted by law, subject to any limited statutory right to appeal as provided by law. Judgment upon the award of the arbitrator may be entered in any state or federal court sitting in Los Angeles, California.

Nothing in this Section shall prevent Executive from filing or maintaining a claim for workers' compensation, state disability insurance, or unemployment insurance benefits, and nothing in this section shall be construed to prevent or excuse Executive or the Company from using existing internal procedures for the resolution of complaints. Employee may bring claims before administrative agencies when the law permits the agency to adjudicate those claims, even when there is an agreement to arbitrate; examples include claims or charges with the United States Equal Employment Opportunity Commission (or comparable state agency), the National Labor Relations Board, the U.S. Department of Labor, or the Office of Federal Contract Compliance Programs. Nothing in this Section shall require arbitration of disputes that are excluded from coverage by this section or by law.

The Company and Executive agree that any dispute in arbitration will be brought on an individual basis only, and not on a class, collective, or representative basis on behalf of others (this agreement to be referred to hereafter as the "Class Action Waiver"). The Class Action Waiver does not apply to any claim that Executive brings on behalf of both herself and others under the California Private Attorney General Act of 2004. Executive will not be subject to any retaliation or discrimination if Executive seeks to challenge this arbitration provision or participate in a class, collective, or representative action in any forum, but Company may lawfully seek enforcement of this Agreement under the Federal Arbitration Act and seek dismissal of any class, collective, or representative actions or claims to the fullest extent allowed by law.

8. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and to be carried out in California. Each of the parties agrees to submit to the personal jurisdiction of any state or federal court sitting in Los Angeles, California in any action or proceeding arising out of or relating to this Agreement.

9. Notice

All notices and other communications under this Agreement shall be in writing and mailed, telegraphed, telecopied, or delivered by hand (by a party or a recognized courier service) to the other party at the following address (or to such other address as such party may have specified by notice given to the other party pursuant to this provision):

If to the Company:
AVITA Medical Americas, LLC
28159 Avenue Stanford
Suite 220
Valencia, CA 91355

If to Executive:
Kathy McGee
At current home address on file with the Company

10. Miscellaneous

10.1 Binding Agreement. This Agreement shall inure to the benefit of and shall be binding upon the Company, its successors and assigns.

10.2 Entire Agreement. This Agreement contains the entire agreement of the parties relating to the subject matter hereof, and the parties hereto have made no agreements, representations or warranties relating to the subject matter of this Agreement that are not set forth otherwise herein. In this regard, each of the parties represents and warrants to the other party that such party is not relying on any promises or representations that do not appear in writing herein. This Agreement supersedes any prior verbal or written agreements with the Company regarding Executive's employment or offer of employment, except as specifically referenced herein. Each of the parties further agrees and understands that this Agreement can be amended or modified only by a written agreement signed by all parties.

10.3 Representations and Warranties. Executive and the Company hereby represent and warrant to the other that: (a) she or it has full power, authority and capacity to execute and deliver this Agreement, and to perform his or its obligations hereunder; (b) such execution, delivery and performance will not (and with the giving of notice or lapse of time or both would not) result in the breach of any agreements or other obligations to which she or it is a party or she or it is otherwise bound; (c) this Agreement is a valid and binding obligation in accordance with its terms for both parties; (d) Executive represents and warrants that she is under no other obligations, contractual or otherwise, that could impair her ability to perform fully and satisfactorily all of her obligations under this Agreement; (e) Executive has had full opportunity to review this Agreement, to obtain all legal advice she has deemed necessary or appropriate and has either done so, or voluntarily and knowingly declined to do so; and (f) neither party has been induced to enter into this Agreement through any promises, threats, coercion, or benefits not set forth expressly in writing in this Agreement.

10.4 Attorney's Fees. In the event that any party shall bring an action or proceeding in connection with the performance, breach or interpretation of this Agreement, then the prevailing party in any such action or proceeding, as determined by the court, arbitrator or other body having jurisdiction, shall be entitled to recover from the losing party all reasonable costs and expenses of such action or proceeding, including reasonable attorneys' fees and court costs.

10.5 Counterparts. This Agreement may be executed on separate copies, any one of which need not contain signatures of more than one party but all of which taken together shall constitute one and the same Agreement.

[Signatures to follow on next page]

IN WITNESS WHEREOF, this Agreement is executed as of 11/17/2020, 2020.

"COMPANY"
AVITA Medical Americas, LLC

By: _____
Name: Dr. Michael S. Perry
Title: Chief Executive Officer
Date: 11/18/2020

and

"EXECUTIVE"
Kathy McGee

By: _____
Date: 11/17/2020

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT ("Agreement") is made and entered into by and between Avita Medical Ltd., an Australian corporation (the "Company"), and Erin Liberto, an individual (the "Executive") with reference to the following:

RECITALS

WHEREAS, the Board of Directors of the Company (the "Board") desires to employ Executive to serve as the Chief Commercial Officer of the Company;

WHEREAS, the Executive is willing to serve in the role of Chief Commercial Officer of the Company and provide services to the Company and its subsidiaries under the terms and conditions stated herein,

WHEREAS, the Executive would serve as Chief Commercial Officer of the Company, but her direct employer shall be Avita Medical Americas, LLC ("Avita America"), effective as of August 28, 2017 (the Effective Date");

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and intending to be legally bound, it is hereby agreed by and between the parties hereto as follows:

1. Employment and Duties

1.1 Employment. The Company hereby employs the Executive as the Chief Commercial Officer ("CCO") of the Company and the Executive hereby accepts such employment as of the Effective Date pursuant to the terms and conditions set forth herein. The Executive shall report directly to the Chief Executive Officer ("CEO").

1.2 Duties. The Executive shall perform, to the best of her ability and in a manner satisfactory to the CEO, all such duties that are consistent with her title and position, and such other duties as may reasonably be assigned to her by the CEO. The Executive's duties will be conducted principally from the Company's North America office, currently located in Valencia, California, or at such other location as determined by the CEO (but subject to the terms of this Agreement), with travel to such other locations from time to time as reasonably required.

1.3 Time and Efforts. The Executive shall devote her full business time and provide her best efforts, attention, and energies to the business of the Company and its subsidiaries and to the performance of Executive's duties hereunder, and Executive shall not engage in any other business, profession or occupation for compensation or otherwise during the employment period without the prior written consent of the Board; provided that, nothing herein shall preclude Executive from serving in any capacity with any civic, educational, or charitable organization, and provided, further that, in each case, and in the aggregate, such services do not materially conflict or interfere with Executive's obligations to the Company or its subsidiaries hereunder and such service is disclosed in advance by Executive to the Board.

Executive further acknowledges that she owes the Company both a fiduciary duty and a duty of loyalty while employed during the employment period to act at all times in the best interests of the Company and its subsidiaries.

2. Compensation

As the total consideration for the Executive's services rendered hereunder, Executive shall be entitled to the following:

2.1 Base Salary. The Executive shall be paid an annual base salary of Two Hundred Eighty-Five Thousand Dollars ($285,000.00) per year ("Base Salary"), subject to applicable tax deductions and withholdings, beginning on the Effective Date of the Agreement and payable in regular installments in accordance with the customary payroll practices of Avita America. The Executive's salary will be subject to annual review by the Board and may be increased in the sole discretion of the Board.

2.2 Bonus.

Annual Performance Bonus. In addition to Base Salary, the Executive shall be eligible to receive an annual performance bonus ("Annual Bonus") based upon the Executive's performance for the preceding year as measured against certain performance targets as mutually established by the parties to this Agreement. The Annual Bonus, if earned, shall be paid 60 days after the close of the fiscal year. The amount of the Annual Bonus shall be thirty percent (30%) of Executive's Base Salary ("Target Bonus"). For 2017, Executive will be eligible to receive an Annual Bonus that is equal to 30% of the pro-rata share of the Base Salary (excluding any other bonus or compensation) Executive earned in 2017. At the sole discretion of the Board, Executive may be entitled to an additional amount of up to fifty percent (150%) of the Target Bonus based upon performance. For the Annual Bonus to be deemed earned, and in order to be eligible and entitled to receive any Annual Bonus payment, the Executive must be employed by, and not have given notice of resignation to the Company or have been given notice of termination by the Company.

Retention Bonus. In addition to Base Salary and Annual Performance Bonus, the Executive shall be eligible to receive a retention bonus ("Retention Bonus") of $150,000. The Retention Bonus shall be paid as follows:

- Full amount of $150,000 shall be paid upon Executive' s completion of 60 days' employment with the Company with the express understanding that it is being paid with the expectation that Executive shall remain employed with the Company for at least one year following the Effective Date. Accordingly, despite its being paid after 60 days' employment, the Retention Bonus is an advance that will not be considered earned by either Executive or the Company until Executive has completed one year of employment with the Company. If Executive's employment is terminated either by Executive without Good Reason or the Company for Cause before Executive has completed a year of employment, Executive agrees to return the Retention Bonus to the Company.

2.3 Equity. Executive shall be eligible for 4,000,000 options, which will vest as follows:

- 3,000,000 options will vest based upon Executive's achieving certain established metrics as agreed upon between Executive and the CEO;
- 1,000,000 options will vest based on Executive's continued employment with the Company at a rate of 250,000 per year for four years, commencing with the first 250,000 option installment, which will vest upon the completion of Executive's first year of service.

2.4 Business Expenses. During employment, the Executive is entitled to reimbursement (through Avita America) for reasonable and necessary business expenses incurred by Executive in connection with the performance of Executive's duties, subject to proper documentation and approval as required pursuant to the applicable Company expense reimbursement policies.

2.5 Fringe Benefits. The Executive shall be entitled to fringe benefits in accordance with the plans, practices, programs and policies as in effect generally with respect to other peer executives of the Company.

2.6 Vacation. The Executive shall be entitled each year to a vacation, during which time her compensation shall be paid in full. The time allotted for such vacation shall be four (4) weeks per year. Executive can accrue up to six (6) weeks of vacation time, at which point no additional vacation may accrue beyond the six (6) weeks until a portion thereof is used. Any accrued vacation will roll over into the following calendar year and will not be forfeited. The Executive agrees to schedule planned vacation to be taken at a time mutually convenient to the Executive and the Company.

2.7 Health Insurance and Benefits. The Executive shall be eligible to participate in the Company's health, dental and vision plans, as well as the Company's 401k program.

3. Term and Termination of Employment

3.1 At-Will Employment. The Company and the Executive hereby agree that the Executive' s employment by the Company shall be "at-will" and for an indefinite period of time.Subject to the provisions of this Section, both the Executive and the Company shall have the right to terminate this Agreement and the employment relationship at any time and for any reason, with or without Cause, with or without Good Reason, and with or without advance notice.

3.2 Definitions.

(a) **Cause.** For purposes of this Agreement, "Cause" shall mean the occurrence of one or more of the following: (i) conviction of, or a plea of guilty or nolo contendere to, a felony or crime involving moral turpitude; (ii) participation in an act of fraud or theft against the Company; (iii) willful and material breach of Section 4.1 of this Agreement; (iv) willful and repeated failure to satisfactorily perform job duties; or (v) any willful act that is likely to and which does in fact have the effect of injuring the reputation, business, or a business

relationship of the Company, provided however, that the conduct described in the foregoing subsections (ii) through (v) will only constitute Cause if such conduct is not cured within thirty (30) days after the Executive's receipt of written notice from the Company specifying the particulars of the conduct the Company believes constitutes Cause.

(b) **Good Reason.** For purposes of this Agreement, "Good Reason" shall mean: (i) a material diminution in Executive's authority, duties, or responsibilities in effect at thetime of this Agreement; (ii) any reduction in the Executive's then-current base salary; (iii) relocation of Executive's principal place of work by a distance of fifty (50) miles or more from the Executive's then-current principal place of work without the Executive's consent; (iv) material breach by the Company of any provision of this Agreement; (v) material reduction ofthe Target Bonus for the then-current fiscal year before the end of the then-current fiscal year; or (vi) the occurrence of a Change in Control of the Company as defined in Section 3.3(c) below, *provided,* however, that the conduct described in the foregoing subsections (i) through (v) will only constitute Good Reason if such conduct is not cured within thirty (30) days after the Company's receipt of written notice from the Executive specifying the particulars of the conduct the Executive believes constitutes Good Reason.

(c) **Change in Control.** For purposes of this Agreement, "Change in Control" shall mean any of the following events occurring after the date of this Agreement: (i) a sale or transfer of all or substantially all of the assets of the Company; (ii) any merger, consolidation or acquisition of the Company with, by or into another corporation, entity or person; (iii) any change in ownership of more than fifty percent (50%) of the voting capital stock of Company in one or more related transactions such as a buy out or exit of the Company (but excluding any change in stock listing).

3.3 Termination.

(a) **Termination for Cause or Resignation without Good Reason.** In the event that the Company terminates the Executive's employment for Cause or the Executive resigns her employment without Good Reason, this Agreement will terminate without further obligations to Executive other than the following: Executive shall be entitled to receive her unpaid base salary earned through her last day of employment, accrued but unused vacation pay, and vested benefits through and including Executive's last day of employment.

(b) **Involuntary Termination Without Cause or Resignation With Good Reason.** In the event of either an involuntary termination of the Executive's employment Without Cause or a voluntary resignation by the Executive for Good Reason, in exchange for the Executive signing a separation and release of all claims agreement in a form acceptable to the Company, the Company shall provide the Executive with the following severance benefits in accordance with the timing set forth in Section 3.3(b)(v) below:

(i) Base Salary: The Company shall pay the Executive the equivalent of six (6) months of the Executive's annual base salary in effect at the time of the termination Without Cause or resignation with Good Reason in one lump sum payment, less standard deductions and withholdings.

(ii) Benefits Coverage. The Company shall continue to provide group health, vision, and dental plan benefits to the Executive for a period of six (6) months from and after the date of termination, with the cost of all regular premiums for such benefits paid by the Company (or its successor).

(iii) Pro-Rated Annual Bonus. The Company shall pay the Executive a pro-rata portion of her Annual Bonus payment for the then-current fiscal year. The pro-rata Annual Bonus calculation shall assume that the Executive attained 100% of the performance target established for the then-current fiscal year and then will be prorated for the time the Executive actually remained employed during the then-current fiscal year.

(iv) Equity. Executive's stock options shall immediately accelerate so that 100% of any then unvested stock options shall immediately vest and become exercisable upon the date of Executive's termination Without Cause or resignation with Good Reason and shall continue to be exercisable for either a period of 180 days after such termination or resignation or for the period specified in the vesting schedule of the applicable stock agreement, whichever is longer.

(v) Timing of Payments. The severance benefits in the above subsections 3.3(b)(i) and 3.3(b)(iii) shall be paid to executive within 15 days of the date the Executive signs the severance and release agreement and the revocation period, if any, has expired.

(c) **Termination or Resignation In Connection With Change In Control.** In the event Executive is terminated or resigns in connection with or within one (1) year following a Change in Control, the Executive shall be entitled to all of the severance benefits setforth in Section 3.3(b) above.

4. Proprietary Information

The Executive acknowledges that: (i) the Executive has a major responsibility for the operation, development and growth of the Company's business and subsidiaries; (ii) the Executive's work for the Company and its subsidiaries has brought the Executive and will continue to bring the Executive into close contact with "Confidential Information" (as defined below); and (iii) the agreements and covenants contained in this Section 4 are essential to protect the business interests of the Company and its subsidiaries and that the Company will not enter into this Agreement but for such agreements and covenants. Accordingly, the Executive covenants and agrees to the following:

4.1 Confidential Information. Both during the tenn of the Executive's employment under this Agreement and indefinitely after the Executive is no longer employed as CCO of the Company, the Executive shall not, directly or indirectly, (i) knowingly use for an improper

personal benefit any "Confidential Information" (as defined below) that was acquired by, learned by or disclosed to Executive by reason of the Executive' s employment as CCO of the Company (before or after the date of this Agreement), or (ii) disclose any such Confidential Information to any person, business or entity, except in the proper course of the Executive's duties as CCO of the Company. As used in this Agreement, **"Confidential Information"** means any and all confidential or proprietary information of the Company and its subsidiaries or affiliates that is not generally known to the public, including, without limitation, business, financial, marketing, technical, developmental, operating, performance, know-how, and process information, drawings and designs, customer information (including contact information, pricing and buying trends and needs), employee information (including the skills, abilities and compensation of other employees), and other trade secret information, now existing or hereafter discovered or developed. Confidential Information shall include information in any form whatsoever, including, without limitation, any digital or electronic record-bearing media containing or disclosing such information. The provisions of this Section 5 shall not apply to information that has become generally available to the public other than as a result of a disclosure by the Executive. In the event that the Executive is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, then the Executive will notify the Company within two (2) business days of receiving the request or requirement so that the Company may seek an appropriate protective order. If, in the absence of a protective order or the receipt of a waiver hereunder, the Executive is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, the Executive may disclose such Confidential Information to the tribunal; provided, however, that the Executive shall use the Executive's reasonable best efforts to obtain, at the expense and reasonable request of the Company, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as the Company shall designate. The Executive acknowledges that all Confidential Information is the exclusive property of the Company. The Executive further acknowledges that the Executive's entire work product, including working drafts and work sheets, shall be the sole property of the Company, and that the Executive will have no rights, title or interest in any such material whether prepared by the Executive alone, by others or by the Executive in conjunction with others. Executive agrees as a condition of continued employment to execute the Company's standard form Intellectual Property and Confidentiality Agreement protecting the trade secrets and other intellectual property of the Company.

4.2 Duty of Loyalty and Non-Competition. While employed by the Company, the Executive shall not, without the prior written consent of the Company, participate, directly or indirectly, as an individual proprietor, partner, stockholder, officer, employee, director, manager, joint venturer, investor, lender, consultant or in any capacity whatsoever (within the United States of America, or in any country where the Company or its subsidiaries or affiliates do business or have reasonable plans to do business) in a business engaged in competition with the Company or any of its subsidiaries or affiliates, or in a business that the Company or any of its subsidiaries or affiliates has taken reasonable steps to engage in (including, but not limited to, meeting with management teams or entering into preliminary or definitive term sheets, letters of intent, purchase agreements, or other similar arrangements or agreements) of which the Executive has knowledge at the time of Executive's employment; provided, however, that such participation shall not include the mere ownership of not more than one percent (I%) of the total

outstanding stock of a publicly held company. At all times following the termination of Executive's employment as CCO of the Company for any reason, Executive shall not, either directly or indirectly, engage in any unlawful competitive activities or use confidential trade secret information for any purpose.

4.3 Non-Solicitation. For a period beginning on the Effective Date and ending two years after the date on which the Executive is no longer employed as CCO of the Company (the **"Non-Solicitation Period"),** the Executive shall not in any capacity, either separately or in association with others: (i) unlawfully solicit for employment or endeavor in any way to unlawfully entice away from employment with the Company or its subsidiaries or affiliates any employee of the Company or its subsidiaries or affiliates, or any person or entity that had been an employee or affiliate of the Company or its subsidiaries within the six month period preceding the commencement of such activity; nor (ii) use confidential trade secret information to solicit or use any other unlawful means to induce or influence any supplier, customer, agent, consultant or other person or entity that has a business relationship with the Company or its subsidiaries to discontinue, reduce or modify such relationship with the Company or its subsidiaries.

4.4 Nondisparagement. The Executive agrees (whether during or after Executive's employment as CCO of the Company) not to issue, circulate, publish or utter any comments or statements to the press or other media, or to any third parties, or to any employees of the Company or its subsidiaries or affiliates, or any consultants or any individual or entity with whom the Company or its subsidiaries or affiliates has a business relationship, which could reasonably be expected to adversely affect in any manner: (i) the conduct of the business of the Company or its subsidiaries or affiliates (including, without limitation, any products, services, or business plans or prospects); or (ii) the business reputation of the Company or its subsidiaries or affiliates (including its financial condition or the direction of the business), or any of their respective products or services, or their past or present officers, directors, executives or employees. Notwithstanding the foregoing, nothing contained in this Agreement will be deemed to restrict Executive from providing truthful information to any governmental or regulatory agency (or in any way limit the content of any such information) to the extent requested or required to provide such information pursuant to applicable law or regulation. Nothing in this section is intended to limit Executive's rights under Section 7 of the National Labor Relations Act.

4.5 Return of Property. Upon termination of her employment as CCO of the Company or at any time as the Company requests, the Executive will promptly deliver to the Company all documents (whether prepared by the Company, a subsidiary, an affiliate, the Executive or a third party) relating to the Company, any of its subsidiaries, an affiliate or any of their businesses or property that the Executive may possess or have under the Executive's direction or control other than documents provided to the Executive in the Executive's capacityas a participant in any employee benefit plan, policy or program of the Company.

4.6 Remedies. The Executive acknowledges that (i) the Executive has had an opportunity to seek the advice of counsel in connection with this Agreement; (ii) the provisions of this Section 4 are reasonable in scope and in all other respects; (iii) any violation of these provisions will result in irreparable injury to the Company; (iv) money damages may not be an adequate remedy for the Company in the event of a breach of any of these provisions by the

Executive; and (v) specific performance in the form of injunctive relief would be an appropriate remedy for the Company. If the Executive breaches or threatens to breach any of these provisions, the Company shall be entitled, in addition to all other remedies, to seek an injunction restraining any such breach, without any bond or other security being required and without the necessity of showing actual damages.

5. Assignment

This Agreement is personal in nature, and neither this Agreement nor any part of any obligation herein shall be assignable by Executive. The Company shall be entitled to assign this Agreement to any affiliate of the Company or any entity that assumes the ownership and control of the business of the Company.

6. Severability

Should any term, provision, covenant or condition of this Agreement be held to be void or invalid, the same shall not affect any other term, provision, covenant or condition of this Agreement, but such remainder shall continue in full force and effect as though each such voided term, provision, covenant or condition is not contained herein.

7. Binding Arbitration

Any and all disputes which involve or relate in any way to this Agreement and/or to Executive's employment or termination of employment as CCO of the Company, whether initiated by Executive or by the Company and whether based on contract, tort, statute, or common law, shall be submitted to and resolved by final and binding arbitration as the exclusive method for resolving all such disputes. The arbitration shall be private and confidential and conducted in Los Angeles, California pursuant to the Federal Arbitration Act and applicable California law, and pursuant to the applicable rules of the American Arbitration Association ("AAA") relating to employment disputes, unless the parties otherwise mutually agree to modify the AAA Rules. A copy of the AAA Employment Rules are available for review at www.adr.org/employment and are incorporated herein by reference.

The party demanding arbitration shall submit a written claim to the other party, setting out the basis of the claim or claims, within the time period of any applicable statute of limitations relating to such claim(s). If the parties cannot mutually agree upon an Arbitrator, then the parties shall select a neutral Arbitrator through the procedures established by the AAA. The Arbitrator shall have the powers provided under the California Code of Civil Procedure relating to the arbitration of disputes, except as expressly limited or otherwise provided in this Agreement. The parties shall have the right to reasonable discovery. The parties agree that the Company shall pay the administration costs of the AAA arbitration, including payment of the fees for the Arbitrator, and any other costs directly related to the administration of the arbitration. The parties shall otherwise be responsible for their own respective costs and attorneys fees relating to the dispute, such as deposition costs, expert witnesses and similar expenses, except as otherwise provided in this Agreement to the prevailing party.

The Arbitrator may award, if properly proven, any damages or remedy that a party could recover in a civil litigation, and shall award costs and reasonable attorneys' fees to the prevailing

party as provided by law. The award of the Arbitrator shall be issued in writing, setting forth the basis for the decision, and shall be binding on the parties to the fullest extent permitted by law, subject to any limited statutory right to appeal as provided by law. Judgment upon the award of the Arbitrator may be entered in any state or federal court sitting in Los Angeles, California.

Nothing in this Section shall prevent Executive from filing or maintaining a claim for workers' compensation, state disability insurance, or unemployment insurance benefits, and nothing in this section shall be construed to prevent or excuse Executive or the Company from using existing internal procedures for the resolution of complaints. Employee may bring claims before administrative agencies when the law permits the agency to adjudicate those claims, even when there is an agreement to arbitrate; examples include claims or charges with the United States Equal Employment Opportunity Commission (or comparable state agency), the National Labor Relations Board, the U.S. Department of Labor, or the Office of Federal Contract Compliance Programs. Nothing in this Section shall require arbitration of disputes that are excluded from coverage by this section or by law.

The Company and Executive agree that any dispute in arbitration will be brought on an individual basis only, and not on a class, collective, or representative basis on behalf of others (this agreement to be referred to hereafter as the Class Action Waiver). The Class Action Waiver does not apply to any claim that Executive brings on behalf of both herself and others under the California Private Attorneys General Act of 2004. Executive will not be subject to any retaliation or discrimination if Executive seeks to challenge this arbitration provision or participate in a class, collective, or representative action in any forum, but Company may lawfully seek enforcement of this Agreement under the Federal Arbitration Act and seek dismissal of any class, collective, or representative actions or claims to the fullest extent allowed by law.

8. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and to be carried out in California. Each of the parties agrees to submit to the personal jurisdiction of any state or federal court sitting in Los Angeles, California in any action or proceeding arising out of or relating to this Agreement.

9. Notice

All notices and other communications under this Agreement shall be in writing and mailed, telegraphed, telecopied, or delivered by hand (by a party or a recognized courier service) to the other party at the following address (or to such other address as such party may have specified by notice given to the other party pursuant to this provision):

If to the
Company:
Avita Medical
28159 Avenue Stanford
Suite 220
Valencia, CA 91355

If to
Executive:
Erin Liberto

At current home address on file with the Company

10. Miscellaneous

10.1 Binding Agreement. This Agreement shall inure to the benefit of and shall be binding upon the Company, its successors and assigns.

10.2 Entire Agreement. This Agreement contains the entire agreement of the parties relating to the subject matter hereof, and the parties hereto have made no agreements, representations or warranties relating to the subject matter of this Agreement that are not set forth otherwise herein. In this regard, each of the parties represents and warrants to the other party that such party is not relying on any promises or representations that do not appear in writing herein. This Agreement supersedes any prior verbal or written agreements with the Company regarding Executive's employment or offer of employment, except as specifically referenced herein. Each of the parties further agrees and understands that this Agreement can be amended or modified only by a written agreement signed by all parties.

10.3 Representations and Warranties. Executive and the Company hereby represent and warrant to the other that: (a) she or it has full power, authority and capacity to execute and deliver this Agreement, and to perform her or its obligations hereunder; (b) such execution, delivery and performance will not (and with the giving of notice or lapse of time or both would not) result in the breach of any agreements or other obligations to which she or it is a party or she or it is otherwise bound; (c) this Agreement is her or its valid and binding obligation in accordance with its terms; (d) Executive represents and warrants that she is under no other obligations, contractual or otherwise, that could impair her ability to perform fully and satisfactorily all of her obligations under this Agreement; (e) Executive has had full opportunity to review this Agreement, to obtain all legal advice she has deemed necessary or appropriate and has either done so, or voluntarily and knowingly declined to do so; and (f) neither party has been induced to enter into this Agreement through any promises, threats, coercion, or benefits not set forth expressly in writing in this Agreement.

10.4 Attorneys Fees. In the event that any party shall bring an action or proceeding in connection with the performance, breach or interpretation of this Agreement, then the prevailing party in any such action or proceeding, as determined by the court, arbitrator or other body having jurisdiction, shall be entitled to recover from the losing party all reasonable costs and expenses of such action or proceeding, including reasonable attorneys' fees and court costs.

10.5 Counterparts. This Agreement may be executed on separate copies, any one of which need not contain signatures of more than one party but all of which taken together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, this Agreement is executed as of 09/09/2017.

"COMPANY"
Avita Medical Ltd., an Australian corporation

By: _____
Name _____
Title: _____

and

"EXECUTIVE"
Erin Liberto

By: Erin Liberto

Exhibit 10.17

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into by and between Avita Medical Americas, LLC, (the "Company") and Andrew Quick, an individual (the "Executive") with reference to the following:

RECITALS

WHEREAS, the Board of Directors of the Company (the "Board") desires to employ Executive to serve as the Chief Technology Officer;

WHEREAS, the Executive is willing to serve in the role of Chief Technology Officer of the Company and provide services to the Company and its subsidiaries and affiliates under the terms and conditions stated herein,

WHEREAS, the Executive has served as Chief Technology Officer, of the Company, since April 1, 2019 (the "Effective Date"),

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and intending to be legally bound, it is hereby agreed by and between the parties hereto as follows:

1. Employment and Duties

1.1 Employment. The Company hereby employs the Executive as the Chief Technology Officer of the Company and the Executive hereby accepts such employment as of the Effective Date pursuant to the terms and conditions set forth herein. The Executive shall report directly to the Chief Executive Officer ("CEO").

1.2 Duties. The Executive shall perform, to the best of his ability and in a manner satisfactory to the CEO, all such duties that are consistent with his title and position, and such other duties as may reasonably be assigned to him by the CEO. The Executive's duties will be conducted principally from the Company's North America office, currently located in Valencia, California, or at such other location as determined by the CEO (but subject to the terms of this Agreement) from time to time as reasonably required.

1.3 Time and Efforts. The Executive shall devote his full business time and provide his best efforts, attention, and energies to the business of the Company, and its subsidiaries and affiliates, and to the performance of Executive's duties hereunder, and Executive shall not engage in any other business, profession or occupation for compensation or otherwise during the employment period without the prior written consent of the Board; provided that, nothing herein shall preclude Executive from serving in any capacity with any civic, educational, or charitable organization, and provided, further that, in each case, and in the aggregate, such services do not materially conflict or interfere with Executive's obligations to the Company, and its subsidiaries and affiliates hereunder and such service is disclosed in advance by Executive to the Board.

Executive further acknowledges that he owes the Company both a fiduciary duty and a duty of loyalty while employed during the employment period to act at all times in the best interests of the Company, and its subsidiaries and affiliates.

2. Compensation

As the total consideration for the Executive's services rendered hereunder, Executive shall be entitled to the following:

2.1 Base Salary. The Executive shall be paid an annual base salary of Three Hundred Thirty Seven Thousand Four Hundred Twenty Eight Dollars ($337,428.00) per year ("Base Salary"), subject to applicable tax deductions and withholdings, beginning on the Effective Date of the Agreement and payable in regular installments in accordance with the customary payroll practices of the Company. The Executive's salary will be subject to annual review by the Board and may be increased in the sole discretion of the Board.

2.2 Bonus and Relocation Expenses.

Annual Performance Bonus. In addition to Base Salary, the Executive shall be eligible to receive an annual performance bonus ("Annual Bonus") based upon the Executive's performance for the preceding year as measured against certain performance targets as mutually established by the parties to this Agreement. The Annual Bonus, if earned, shall be paid on or around the March timeframe of the following year. The amount of the Annual Bonus shall be thirty percent (30%) of Executive's Base Salary ("Target Bonus"). For the Annual Bonus to be deemed earned, and in order to be eligible and entitled to receive any Annual Bonus payment, the Executive must be employed by, and not have given notice of resignation to the Company, or have been given notice of termination by the Company.

2.3 Equity. Executive shall be eligible for 120,799 options:

- 20,187 options vested based upon Executive achieving certain established metrics as agreed upon between Executive and the CEO;
- 15,000 immediately vested as of May 18, 2017;
- 85,612.50 options vested based on Executive's continued employment as follows:
  - 10,000 options granted on May 18, 2017
  - 5,000 options granted on November 1, 2018
  - 30,212 options granted on November 30, 2018
  - 40,400 options granted on April 1, 2019

Further information as to the terms of Executive's equity grant are contained in the Share Option Agreement.

2.4 Business Expenses. During employment, the Executive is entitled to reimbursement for reasonable and necessary business expenses incurred by Executive in connection with the performance of Executive's duties, subject to proper documentation and approval as required pursuant to the applicable Company expense reimbursement policies.

2.5 Fringe Benefits. The Executive shall be entitled to fringe benefits in accordance with the plans, practices, programs and policies as in effect with respect to other peer executives of the Company.

2.6 Vacation. The Executive shall be entitled each year to a vacation, during which time his compensation shall be paid in full. The time allotted for such vacation shall be four (4) weeks per year. Executive can accrue up to six (6) weeks of vacation time, at which point no additional vacation may accrue beyond the six (6) weeks until a portion thereof is used. Any accrued vacation will roll over into the following calendar year and will not be forfeited. The Executive agrees to schedule planned vacation to be taken at a time mutually convenient to the Executive, CEO, and the Company.

2.7 Health Insurance and Benefits. The Executive shall be eligible to participate in the Company's health, dental and vision plans, as well as the Company's 401k program.

3. Term and Termination of Employment

3.1 At-Will Employment. The Company and the Executive hereby agree that the Executive's employment by the Company shall be "at-will" and for an indefinite period of time. Subject to the provisions of this Section, both the Executive and the Company shall have the right to terminate this Agreement and the employment relationship at any time and for any reason, with or without Cause, with or without Good Reason, and with or without advance notice.

3.2 Definitions.

(a) **Cause**. For purposes of this Agreement, "Cause" shall mean the occurrence of one or more of the following: (i) conviction of, or a plea of guilty or nolo contendere to, a felony or crime involving moral turpitude; (ii) participation in an act of fraud or theft against the Company; (iii) willful and material breach of Section 4.1 of this Agreement; (iv) willful and repeated failure to satisfactorily perform job duties; or (v) any willful act that is likely to and which does in fact have the effect of injuring the reputation, business, or a business relationship of the Company.

(b) **Good Reason**. For purposes of this Agreement, "Good Reason" shall mean: (i) a material diminution in Executive's authority, duties, or responsibilities in effect at the time of this Agreement; (ii) any reduction in the Executive's then-current base salary; (iii) relocation of Executive's principal place of work by a distance of fifty (50) miles or more from the Executive's then-current principal place of work without the Executive's consent; (iv) material breach by the Company of any provision of this Agreement; (v) material reduction of

the Target Bonus for the then-current fiscal year before the end of the then-current fiscal year; or (vi) the occurrence of a Change in Control of the Company as defined in Section 3.2(c) below, provided, however, that the conduct described in the foregoing subsections (i) through (iv) will only constitute Good Reason if such conduct is not cured within thirty (30) days after the Company's receipt of written notice from the Executive specifying the particulars of the conduct the Executive believes constitutes Good Reason.

(c) **Change in Control**. For purposes of this Agreement, "Change in Control" shall mean any of the following events occurring after the date of this Agreement: (i) a sale or transfer of all or substantially all of the assets of the Company; (ii) any merger, consolidation or acquisition of the Company with, by or into another corporation, entity or person; or (iii) any change in ownership of more than fifty percent (50%) of the voting capital stock of Company in one or more related transactions such as a buy out or exit of the Company (but excluding any change in stock listing).

3.3 Termination.

(a) **Termination for Cause or Resignation without Good Reason**. In the event that the Company terminates the Executive's employment for Cause or the Executive resigns his employment without Good Reason, this Agreement will terminate without further obligations to Executive other than the following: Executive shall be entitled to receive his unpaid base salary earned through his last day of employment, accrued but unused vacation pay, and vested benefits through and including Executive's last day of employment.

(b) **Involuntary Termination Without Cause or Resignation With Good Reason**. In the event of either an involuntary termination of the Executive's employment by the Company Without Cause or a voluntary resignation by the Executive for Good Reason, in exchange for the Executive signing a separation and release of all claims agreement related solely to the Executive's employment in a form acceptable to the Company, the Company shall provide the Executive with the following severance benefits in accordance with the timing set forth in Section 3.3(b)(iv) below:

(i) Base Salary: The Company shall pay the Executive the equivalent of six (6) months of the Executive's annual base salary in effect at the time of the termination Without Cause or resignation with Good Reason in one lump sum payment, less standard deductions and withholdings.

(ii) Bonus: The Company shall pay the Executive a pro-rata portion of his Annual Bonus payment for the then current fiscal year. The pro-rata Annual Bonus calculation shall assume that the Executive attained 100% of the performance target established for the then current fiscal year and will be prorated for the time the Executive remained employed during the then current fiscal year.

(iii) Benefits Coverage. The Company shall continue to provide group health, vision, and dental plan benefits to the Executive for a

period of six (6) months from and after the date of termination, with the cost of all regular premiums for such benefits paid by the Company (or its successor).

(iv) Equity. Executive's stock options shall immediately accelerate so that 100% of any then unvested stock options shall immediately vest and become exercisable upon the date of Executive's termination Without Cause or resignation with Good Reason and shall continue to be exercisable for either a period of one hundred eighty (180) days after such termination or resignation or for the period specified in the vesting schedule of the applicable stock agreement, whichever is longer.

(v) Timing of Payments. The severance benefits in the above subsection 3.3(b)(i) shall be paid to Executive no later than fifteen (15) days from the date the Executive signs the severance and release agreement and the revocation period, if any, has expired.

(c) **Termination or Resignation In Connection With Change In Control**. In the event Executive is terminated or resigns in connection with or within one (1) year following a Change in Control or for Good Reason as defined in 3.2(b) and 3.2(c), respectively, the Executive shall be entitled to all of the severance benefits set forth in Section 3.3(b) above.

4. Proprietary Information

The Executive acknowledges that: (i) the Executive has a major responsibility for the operation, development and growth of the Company's business, and its subsidiaries and affiliates; (ii) the Executive's work for the Company, and its subsidiaries, and affiliates has brought the Executive and will continue to bring the Executive into close contact with "Confidential Information" (as defined below); and (iii) the agreements and covenants contained in this Section 4 are essential to protect the business interests of the Company, and its subsidiaries and affiliates, and that the Company will not enter into this Agreement but for such agreements and covenants. Accordingly, the Executive covenants and agrees to the following:

4.1 Confidential Information. Both during the term of the Executive's employment under this Agreement and indefinitely after the Executive is no longer employed as Chief Technology Officer of the Company, the Executive shall not, directly or indirectly, (i) knowingly use for an improper personal benefit any "Confidential Information" that was acquired by, learned by or disclosed to Executive by reason of the Executive's employment as Chief Technology Officer of the Company (before or after the date of this Agreement), or (ii) disclose any such Confidential Information to any person, business or entity, except in the proper course of the Executive's duties as Chief Technology Officer, of the Company. As used in this Agreement, "Confidential Information" means any and all confidential or proprietary information of the Company, and its subsidiaries and affiliates that is not generally known to the public, including, without limitation, business, financial, marketing, technical,

developmental, operating, performance, know-how, and process information, drawings and designs, customer information (including contact information, pricing and buying trends and needs), employee information (including the skills, abilities and compensation of other employees), and other trade secret information, now existing or hereafter discovered or developed. Confidential Information shall include information in any form whatsoever, including, without limitation, any digital or electronic record-bearing media containing or disclosing such information. The provisions of this Section 4 shall not apply to information that has become generally available to the public other than as a result of a disclosure by the Executive. In the event that the Executive is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, then the Executive will notify the Company within two (2) business days of receiving the request or requirement so that the Company may seek an appropriate protective order. If, in the absence of a protective order or the receipt of a waiver hereunder, the Executive is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, the Executive may disclose such Confidential Information to the tribunal; provided, however, that the Executive shall use the Executive's reasonable best efforts to obtain, at the expense and reasonable request of the Company, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as the Company shall designate. The Executive acknowledges that all Confidential Information is the exclusive property of the Company. The Executive further acknowledges that the Executive's entire work product, including working drafts and work sheets, shall be the sole property of the Company, and that the Executive will have no rights, title or interest in any such material whether prepared by the Executive alone, by others or by the Executive in conjunction with others. Executive agrees as a condition of continued employment to execute the Company's Proprietary Information Agreement protecting the trade secrets and other intellectual property of the Company.

4.2 Duty of Loyalty and Non-Competition. While employed by the Company, the Executive shall not, without the prior written consent of the Company, participate, directly or indirectly, as an individual proprietor, partner, stockholder, officer, employee, director, manager, joint venture participant, investor, lender, consultant or in any capacity whatsoever (within the United States of America, or in any country where the Company or its subsidiaries or affiliates do business or have reasonable plans to do business) in a business engaged in competition with the Company or any of its subsidiaries or affiliates, or in a business that the Company or any of its subsidiaries or affiliates has taken reasonable steps to engage in (including, but not limited to, meeting with management teams or entering into preliminary or definitive term sheets, letters of intent, purchase agreements, or other similar arrangements or agreements) of which the Executive has knowledge at the time of Executive's employment; provided, however, that such participation shall not include the mere ownership of not more than one percent (1%) of the total outstanding stock of a publicly held company. At all times following the termination of Executive's employment as Chief Technology Officer of the Company for any reason, Executive shall not, either directly or indirectly, engage in any unlawful competitive activities or use confidential trade secret information for any purpose.

4.3 Non-Solicitation. For a period beginning on the Effective Date and ending two (2) years after the date on which the Executive is no longer employed as Chief Technology

Officer of the Company (the "Non-Solicitation Period"), the Executive shall not in any capacity, either separately or in association with others: (i) unlawfully solicit for employment or endeavor in any way to unlawfully entice away from employment with the Company, its subsidiaries or affiliates any employee of the Company, its subsidiaries or its affiliates, or any person or entity that had been an employee of the Company or its subsidiaries or affiliates within the six (6) month period preceding the commencement of such activity; nor (ii) use confidential trade secret information to solicit or use any other unlawful means to induce or influence any supplier, customer, agent, consultant or other person or entity that has a business relationship with the Company, or its subsidiaries or affiliates to discontinue, reduce or modify such relationship with the Company or its subsidiaries or affiliates.

4.4 Non-disparagement. The Executive agrees (whether during or after Executive's employment as Chief Technology Officer of the Company) not to issue, circulate, publish or utter any comments or statements to the press or other media, or to any third parties, or to any employees of the Company, and its subsidiaries and affiliates, or any consultants or any individual or entity with whom the Company or its subsidiaries or affiliates has a business relationship, which could reasonably be expected to adversely affect in any manner: (i) the conduct of the business of the Company, or its subsidiaries or affiliates (including, without limitation, any products, services, or business plans or prospects); or (ii) the business reputation of the Company or its subsidiaries or affiliates (including its financial condition or the direction of the business), or any of their respective products or services, or their past or present officers, directors, executives or employees. Notwithstanding the foregoing, nothing contained in this Agreement will be deemed to restrict Executive from providing truthful information to any governmental or regulatory agency (or in any way limit the content of any such information) to the extent requested or required to provide such information pursuant to applicable law or regulation. Nothing in this section is intended to limit Executive's rights under Section 7 of the National Labor Relations Act.

4.5 Return of Property. Upon termination of his employment as Chief Technology Officer of the Company or at any time as the Company requests, the Executive will promptly deliver to the Company all documents (whether prepared by the Company, a subsidiary, an affiliate, the Executive or a third party) relating to the Company, any of its subsidiaries or affiliates or any of their businesses or property that the Executive may possess or have under the Executive's direction or control other than documents provided to the Executive in the Executive's capacity as a participant in any employee benefit plan, policy or program of the Company.

4.6 Remedies. The Executive acknowledges that (i) the Executive has had an opportunity to seek the advice of counsel in connection with this Agreement; (ii) the provisions of this Section 4 are reasonable in scope and in all other respects; (iii) any violation of these provisions will result in irreparable injury to the Company; (iv) money damages may not be an adequate remedy for the Company in the event of a breach of any of these provisions by the Executive; and (v) specific performance in the form of injunctive relief would be an appropriate remedy for the Company. If the Executive breaches or threatens to breach any of these provisions, the Company shall be entitled, in addition to all other remedies, to seek an injunction restraining any such breach, without any bond or other security being required and without the necessity of showing actual damages.

5. Assignment

This Agreement is personal in nature, and neither this Agreement nor any part of any obligation herein shall be assignable by Executive. The Company shall be entitled to assign this Agreement to any subsidiary or affiliate of the Company or any entity that assumes the ownership and control of the business of the Company.

6. Severability

Should any term, provision, covenant or condition of this Agreement be held to be void or invalid, the same shall not affect any other term, provision, covenant or condition of this Agreement, but such remainder shall continue in full force and effect as though each such voided term, provision, covenant or condition is not contained herein.

7. Binding Arbitration

Any and all disputes which involve or relate in any way to this Agreement and/or to Executive's employment or termination of employment as Chief Technology Officer of the Company, whether initiated by Executive or by the Company and whether based on contract, tort, statute, or common law, shall be submitted to and resolved by final and binding arbitration as the exclusive method for resolving all such disputes. The arbitration shall be private and confidential and conducted in Los Angeles, California pursuant to the Federal Arbitration Act and applicable California law, and pursuant to the applicable rules of the American Arbitration Association ("AAA") relating to employment disputes, unless the parties otherwise mutually agree to modify the AAA Rules. A copy of the AAA Employment Rules are available for review at www.adr.org/employment and are incorporated herein by reference.

The party demanding arbitration shall submit a written claim to the other party, setting out the basis of the claim or claims, within the time period of any applicable statute of limitations relating to such claim(s). If the parties cannot mutually agree upon an arbitrator, then the parties shall select a neutral arbitrator through the procedures established by the AAA. The arbitrator shall have the powers provided under the California Code of Civil Procedure relating to the arbitration of disputes, except as expressly limited or otherwise provided in this Agreement. The parties shall have the right to reasonable discovery. The parties agree that the Company shall pay the administration costs of the AAA arbitration, including payment of the fees for the Arbitrator, and any other costs directly related to the administration of the arbitration. The parties shall otherwise be responsible for their own respective costs and attorneys' fees relating to the dispute, such as deposition costs, expert witnesses and similar expenses.

The arbitrator may award, if properly proven, any damages or remedy that a party could recover in a civil litigation and shall award costs to the prevailing party as provided by law. The award of the arbitrator shall be issued in writing, setting forth the basis for the decision, and shall be binding on the parties to the fullest extent permitted by law, subject to any limited statutory right to appeal as provided by law. Judgment upon the award of the arbitrator may be entered in any state or federal court sitting in Los Angeles, California.

Nothing in this Section shall prevent Executive from filing or maintaining a claim for workers' compensation, state disability insurance, or unemployment insurance benefits, and nothing in this section shall be construed to prevent or excuse Executive or the Company from using existing internal procedures for the resolution of complaints. Employee may bring claims before administrative agencies when the law permits the agency to adjudicate those claims, even when there is an agreement to arbitrate; examples include claims or charges with the United States Equal Employment Opportunity Commission (or comparable state agency), the National Labor Relations Board, the U.S. Department of Labor, or the Office of Federal Contract Compliance Programs. Nothing in this Section shall require arbitration of disputes that are excluded from coverage by this section or by law.

The Company and Executive agree that any dispute in arbitration will be brought on an individual basis only, and not on a class, collective, or representative basis on behalf of others (this agreement to be referred to hereafter as the "Class Action Waiver"). The Class Action Waiver does not apply to any claim that Executive brings on behalf of both herself and others under the California Private Attorney General Act of 2004. Executive will not be subject to any retaliation or discrimination if Executive seeks to challenge this arbitration provision or participate in a class, collective, or representative action in any forum, but Company may lawfully seek enforcement of this Agreement under the Federal Arbitration Act and seek dismissal of any class, collective, or representative actions or claims to the fullest extent allowed by law.

8. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and to be carried out in California. Each of the parties agrees to submit to the personal jurisdiction of any state or federal court sitting in Los Angeles, California in any action or proceeding arising out of or relating to this Agreement.

9. Notice

All notices and other communications under this Agreement shall be in writing and mailed, telegraphed, telecopied, or delivered by hand (by a party or a recognized courier service) to the other party at the following address (or to such other address as such party may have specified by notice given to the other party pursuant to this provision):

If to the Company:
Avita Medical Americas, LLC
28159 Avenue Stanford
Suite 220
Valencia, CA 91355

If to Executive:
Andrew Quick
At current home address on file with the Company

10. Miscellaneous

10.1 Binding Agreement. This Agreement shall inure to the benefit of and shall be binding upon the Company, its successors and assigns.

10.2 Entire Agreement. This Agreement contains the entire agreement of the parties relating to the subject matter hereof, and the parties hereto have made no agreements, representations or warranties relating to the subject matter of this Agreement that are not set forth otherwise herein. In this regard, each of the parties represents and warrants to the other party that such party is not relying on any promises or representations that do not appear in writing herein. This Agreement supersedes any prior verbal or written agreements with the Company regarding Executive's employment or offer of employment, except as specifically referenced herein. Each of the parties further agrees and understands that this Agreement can be amended or modified only by a written agreement signed by all parties.

10.3 Representations and Warranties. Executive and the Company hereby represent and warrant to the other that: (a) he or it has full power, authority and capacity to execute and deliver this Agreement, and to perform his or its obligations hereunder; (b) such execution, delivery and performance will not (and with the giving of notice or lapse of time or both would not) result in the breach of any agreements or other obligations to which he or it is a party or he or it is otherwise bound; (c) this Agreement is a valid and binding obligation in accordance with its terms for both parties; (d) Executive represents and warrants that he is under no other obligations, contractual or otherwise, that could impair his ability to perform fully and satisfactorily all of his obligations under this Agreement; (e) Executive has had full opportunity to review this Agreement, to obtain all legal advice he has deemed necessary or appropriate and has either done so, or voluntarily and knowingly declined to do so; and (f) neither party has been induced to enter into this Agreement through any promises, threats, coercion, or benefits not set forth expressly in writing in this Agreement.

10.4 Counterparts. This Agreement may be executed on separate copies, any one of which need not contain signatures of more than one party but all of which taken together shall constitute one and the same Agreement.

[Signatures to follow on next page]

IN WITNESS WHEREOF, this Agreement is executed as of_____, 2021.

"COMPANY"
Avita Medical Americas, LLC

By: 

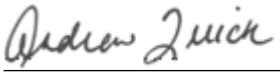
Name: Dr. Michael S. Perry

Title: Chief Executive Officer

Date: 06/28/2021

and

"EXECUTIVE"
Andrew Quick

By: 

Date: 25-Jun 2021

Exhibit 10.18

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT ("Agreement") is made and entered into by and between Avita Medical Ltd., an Australian corporation (the "Company"), and Donna Shiroma, an individual (the "Executive") with reference to the following:

RECITALS

WHEREAS, the Board of Directors of the Company (the "Board") desires to employ Executive to serve as the General Counsel of the Company;

WHEREAS, the Executive is willing to serve in the role of General Counsel of the Company and provide services to the Company and its subsidiaries under the terms and conditions stated herein,

WHEREAS, the Executive would serve as General Counsel, of the Company, but her direct employer shall be Avita Medical Americas, LLC ("Avita America"), effective as of June 25, 2018 (the Effective Date");

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and intending to be legally bound, it is hereby agreed by and between the parties hereto as follows:

1. Employment and Duties

1.1 Employment. The Company hereby employs the Executive as the General Counsel, of the Company and the Executive hereby accepts such employment as of the Effective Date pursuant to the terms and conditions set forth herein. The Executive shall report directly to the Chief Executive Officer ("CEO").

1.2 Duties. The Executive shall perform, to the best of her ability and in a manner satisfactory to the CEO, all such duties that are consistent with her title and position, and such other duties as may reasonably be assigned to her by the CEO. The Executive's duties will be conducted principally from the Company's North America office, currently located in Valencia, California, or at such other location as determined by the CEO (but subject to the terms of this Agreement), with travel to such other locations from time to time as reasonably required.

1.3 Time and Efforts. The Executive shall devote her full business time and provide her best efforts, attention, and energies to the business of the Company and its subsidiaries and to the performance of Executive's duties hereunder, and Executive shall not engage in any other business, profession or occupation for compensation or otherwise during the employment period without the prior written consent of the Board; provided that, nothing herein shall preclude Executive from serving in any capacity with any civic, educational, or charitable organization, and provided, further that, in each case, and in the aggregate, such services do not materially conflict or interfere with Executive's obligations to the Company or its subsidiaries hereunder and such service is disclosed in advance by Executive to the Board.

Executive further acknowledges that she owes the Company both a fiduciary duty and a duty of loyalty while employed during the employment period to act at all times in the best interests of the Company and its subsidiaries.

2. Compensation

As the total consideration for the Executive's services rendered hereunder, Executive shall be entitled to the following:

2.1 Base Salary. The Executive shall be paid an annual base salary of Three Hundred Thousand Dollars ($300,000.00) per year ("Base Salary"), subject to applicable tax deductions and withholdings, beginning on the Effective Date of the Agreement and payable in regular installments in accordance with the customary payroll practices of Avita America. The Executive's salary will be subject to annual review by the Board and may be increased in the sole discretion of the Board.

2.2 Bonus and Relocation Expenses.

Annual Performance Bonus. In addition to Base Salary, the Executive shall be eligible to receive an annual performance bonus ("Annual Bonus") based upon the Executive's performance for the preceding year as measured against certain performance targets as mutually established by the parties to this Agreement. The Annual Bonus, if earned, shall be paid 60 days after the close of the fiscal year. The amount of the Annual Bonus shall be twenty-five percent (25%) of Executive's Base Salary ("Target Bonus"). For 2018, Executive will be eligible to receive an Annual Bonus that is equal to 25% of the pro-rata share of the Base Salary (excluding any other bonus or compensation) Executive earned in 2018. At the sole discretion of the Board, Executive may be entitled to an additional amount of up to fifty percent (an additional 12.5%) of the Target Bonus based upon performance. For the Annual Bonus to be deemed earned, and in order to be eligible and entitled to receive any Annual Bonus payment, the Executive must be employed by, and not have given notice of resignation to the Company, or have been given notice of termination by the Company.

Retention Bonus. In addition to Base Salary and Annual Performance Bonus, the Executive shall be eligible to receive a retention bonus ("Retention Bonus") of $15,000. The Retention Bonus shall be paid as follows:

- Bonus amount will be paid after twelve (12) months employment. This payment is provided with the express understanding that it is being paid with the expectation that Executive shall remain employed with the Company for at least one year following the Effective Date. Accordingly, the Retention Bonus is an advance that will not be considered earned by either Executive or the Company until Executive has completed one year of employment with the Company.

Relocation Expenses. The Company will provide reimbursement of shipment of reasonable household goods to the Los Angeles area. In addition, the Company will reimburse temporary housing expenses in the Valencia area of up to $4,000 per month from June 25, 2018 through October 31, 2018.

2.3 Equity. Executive shall be eligible for 3,000,000 options, which will vest as follows:

- 2,220,000 options will vest based upon Executive's achieving certain established metrics as agreed upon between Executive and the CEO;
- 800,000 options will vest based on Executive's continued employment with the Company at a rate of 200,000 per year for four years, commencing with the first 200,000 option installment, which will vest upon the completion of Executive's first year of service.

2.4 Business Expenses. During employment, the Executive is entitled to reimbursement (through Avita America) for reasonable and necessary business expenses incurred by Executive in connection with the performance of Executive's duties, subject to proper documentation and approval as required pursuant to the applicable Company expense reimbursement policies.

2.5 Fringe Benefits. The Executive shall be entitled to fringe benefits in accordance with the plans, practices, programs and policies as in effect generally with respect to other peer executives of the Company.

2.6 Vacation. The Executive shall be entitled each year to a vacation, during which time her compensation shall be paid in full. The time allotted for such vacation shall be four (4) weeks per year. Executive can accrue up to six (6) weeks of vacation time, at which point no additional vacation may accrue beyond the six (6) weeks until a portion thereof is used. Any accrued vacation will roll over into the following calendar year and will not be forfeited. The Executive agrees to schedule planned vacation to be taken at a time mutually convenient to the Executive and the Company.

2.7 Health Insurance and Benefits. The Executive shall be eligible to participate in the Company's health, dental and vision plans, as well as the Company's 401k program.

3. Term and Termination of Employment

3.1 At-Will Employment. The Company and the Executive hereby agree that the Executive's employment by the Company shall be "at-will" and for an indefinite period of time. Subject to the provisions of this Section, both the Executive and the Company shall have the right to terminate this Agreement and the employment relationship at any time and for any reason, with or without Cause, with or without Good Reason, and with or without advance notice.

3.2 Definitions.

(a) **Cause.** For purposes of this Agreement, "Cause" shall mean the occurrence of one or more of the following: (i) conviction of, or a plea of guilty or nolo contendere to, a felony or crime involving moral turpitude; (ii) participation in an act of fraud or theft against the Company; (iii) willful and material breach of Section 4.1 of this Agreement; (iv) willful and repeated failure to satisfactorily perform job duties; or (v) any willful act that is likely

to and which does in fact have the effect of injuring the reputation, business, or a business relationship of the *Company, provided,* however, that the conduct described in the foregoing subsections (ii) through (v) will only constitute Cause if such conduct is not cured within thirty (30) days after the Executive's receipt of written notice from the Company specifying the particulars of the conduct the Company believes constitutes Cause.

(b) **Good Reason.** For purposes of this Agreement, "Good Reason" shall mean: (i) a material diminution in Executive's authority, duties, or responsibilities in effect at the time of this Agreement; (ii) any reduction in the Executive's then-current base salary; (iii) relocation of Executive's principal place of work by a distance of fifty (50) miles or more from the Executive's then-current principal place of work without the Executive's consent; (iv) material breach by the Company of any provision of this Agreement; (v) material reduction of the Target Bonus for the then-current fiscal year before the end of the then-current fiscal year; or (vi) the occurrence of a Change in Control of the Company as defined in Section 3.3(c) below, *provided,* however, that the conduct described in the foregoing subsections (i) through (v) will only constitute Good Reason if such conduct is not cured within thirty (30) days after the Company's receipt of written notice from the Executive specifying the particulars of the conduct the Executive believes constitutes Good Reason.

(c) **Change in Control.** For purposes of this Agreement, "Change in Control" shall mean any of the following events occurring after the date of this Agreement: (i) a sale or transfer of all or substantially all of the assets of the Company; (ii) any merger, consolidation or acquisition of the Company with, by or into another corporation, entity or person; (iii) any change in ownership of more than fifty percent (50%) of the voting capital stock of Company in one or more related transactions such as a buy out or exit of the Company (but excluding any change in stock listing).

3.3 Termination.

(a) **Termination for Cause or Resignation without Good Reason.** In the event that the Company terminates the Executive's employment for Cause or the Executive resigns her employment without Good Reason, this Agreement will terminate without further obligations to Executive other than the following: Executive shall be entitled to receive her unpaid base salary earned through her last day of employment, accrued but unused vacation pay, and vested benefits through and including Executive's last day of employment.

(b) **Involuntary Termination Without Cause or Resignation With Good Reason.** In the event of either an involuntary termination of the Executive's employment Without Cause or a voluntary resignation by the Executive for Good Reason, in exchange for the Executive signing a separation and release of all claims agreement in a form acceptable to the Company, the Company shall provide the Executive with the following severance benefits in accordance with the timing set forth in Section 3.3(b)(v) below:

(i) Base Salary: The Company shall pay the Executive the equivalent of six (6) months of the Executive's annual base salary in effect at the time of the termination Without Cause or resignation with

Good Reason in one lump sum payment, less standard deductions and withholdings.

Benefits Coverage. The Company shall continue to provide group health, vision, and dental plan benefits to the Executive for a period of six (6) months from and after the date of termination, with the cost of all regular premiums for such benefits paid by the Company (or its successor).

(iii) Pro-Rated Annual Bonus. The Company shall pay the Executive a pro-rata portion of her Annual Bonus payment for the then-current fiscal year. The pro-rata Annual Bonus calculation shall assume that the Executive attained 100% of the performance target established for the then-current fiscal year and then will be prorated for the time the Executive actually remained employed during the then-current fiscal year.

(iv) Equity. Executive's stock options shall immediately accelerate so that 100% of any then unvested stock options shall immediately vest and become exercisable upon the date of Executive's termination Without Cause or resignation with Good Reason and shall continue to be exercisable for either a period of 180 days after such termination or resignation or for the period specified in the vesting schedule of the applicable stock agreement, whichever is longer.

(v) Timing of Payments. The severance benefits in the above subsections 3.3(b)(i) and 3.3(b)(iii) shall be paid to executive within 15 days of the date the Executive signs the severance and release agreement and the revocation period, if any, has expired.

(c) **Termination or Resignation In Connection With Change In Control.** In the event Executive is terminated or resigns in connection with or within one (1) year following a Change in Control and for Good Reason as defined in 3.2(b), the Executive shall beentitled to all of the severance benefits set forth in Section 3.3(b) above.

4. Proprietary Information

The Executive acknowledges that: (i) the Executive has a major responsibility for the operation, development and growth of the Company's business and subsidiaries; (ii) the Executive's work for the Company and its subsidiaries has brought the Executive and will continue to bring the Executive into close contact with "Confidential Information" (as defined below); and (iii) the agreements and covenants contained in this Section 4 are essential to protect the business interests of the Company and its subsidiaries and that the Company will not enter into this Agreement but for such agreements and covenants. Accordingly, the Executive covenants and agrees to the following:

4.1 Confidential Information. Both during the term of the Executive's employment under this Agreement and indefinitely after the Executive is no longer employed as General Counsel of the Company, the Executive shall not, directly or indirectly, (i) knowingly use for an improper personal benefit any "Confidential Information" (as defined below) that was acquired by, learned by or disclosed to Executive by reason of the Executive's employment as General Counsel of the Company (before or after the date of this Agreement), or (ii) disclose any such Confidential Information to any person, business or entity, except in the proper course of the Executive's duties as General Counsel, of the Company. As used in this Agreement, **"Confidential Information"** means any and all confidential or proprietary information of the Company and its subsidiaries or affiliates that is not generally known to the public, including, without limitation, business, financial, marketing, technical, developmental, operating, performance, know-how, and process information, drawings and designs, customer information (including contact information, pricing and buying trends and needs), employee information (including the skills, abilities and compensation of other employees), and other trade secret information, now existing or hereafter discovered or developed. Confidential Information shall include information in any form whatsoever, including, without limitation, any digital or electronic record-bearing media containing or disclosing such information. The provisions of this Section 5 shall not apply to information that has become generally available to the public other than as a result of a disclosure by the Executive. In the event that the Executive is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, then the Executive will notify the Company within two (2) business days of receiving the request or requirement so that the Company may seek an appropriate protective order. If, in the absence of a protective order or the receipt of a waiver hereunder, the Executive is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, the Executive may disclose such Confidential Information to the tribunal; provided, however, that the Executive shall use the Executive's reasonable best efforts to obtain, at the expense and reasonable request of the Company, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as the Company shall designate. The Executive acknowledges that all Confidential Information is the exclusive property of the Company. The Executive further acknowledges that the Executive's entire work product, including working drafts and work sheets, shall be the sole property of the Company, and that the Executive will have no rights, title or interest in any such material whether prepared by the Executive alone, by others or by the Executive in conjunction with others. Executive agrees as a condition of continued employment to execute the Company's standard form Intellectual Property and Confidentiality Agreement protecting the trade secrets and other intellectual property of the Company.

4.2 Duty of Loyalty and Non-Competition. While employed by the Company, the Executive shall not, without the prior written consent of the Company, participate, directly or indirectly, as an individual proprietor, partner, stockholder, officer, employee, director, manager, joint venture participant, investor, lender, consultant or in any capacity whatsoever (within the United States of America, or in any country where the Company or its subsidiaries or affiliates do business or have reasonable plans to do business) in a business engaged in competition with

the Company or any of its subsidiaries or affiliates, or in a business that the Company or any of its subsidiaries or affiliates has taken reasonable steps to engage in (including, but not limited to, meeting with management teams or entering into preliminary or definitive term sheets, letters of intent, purchase agreements, or other similar arrangements or agreements) of which the Executive has knowledge at the time of Executive's employment; provided, however, that such participation shall not include the mere ownership of not more than one percent (1%) of the total outstanding stock of a publicly held company. At all times following the termination of Executive's employment as General Counsel of the Company for any reason, Executive shall not, either directly or indirectly, engage in any unlawful competitive activities or use confidential trade secret information for any purpose.

4.3 Non-Solicitation. For a period beginning on the Effective Date and ending two years after the date on which the Executive is no longer employed as General Counsel of the Company (the **"Non-Solicitation Period"),** the Executive shall not in any capacity, either separately or in association with others: (i) unlawfully solicit for employment or endeavor in any way to unlawfully entice away from employment with the Company or its subsidiaries or affiliates any employee of the Company or its subsidiaries or affiliates, or any person or entity that had been an employee or affiliate of the Company or its subsidiaries within the six month period preceding the commencement of such activity; nor (ii) use confidential trade secret information to solicit or use any other unlawful means to induce or influence any supplier, customer, agent, consultant or other person or entity that has a business relationship with the Company or its subsidiaries to discontinue, reduce or modify such relationship with the Company or its subsidiaries.

4.4 Non-disparagement. The Executive agrees (whether during or after Executive's employment as General Counsel of the Company) not to issue, circulate, publish or utter any comments or statements to the press or other media, or to any third parties, or to any employees of the Company or its subsidiaries or affiliates, or any consultants or any individual or entity with whom the Company or its subsidiaries or affiliates has a business relationship, which could reasonably be expected to adversely affect in any manner: (i) the conduct of the business of the Company or its subsidiaries or affiliates (including, without limitation, any products, services, or business plans or prospects); or (ii) the business reputation of the Company or its subsidiaries or affiliates (including its financial condition or the direction of the business), or any of their respective products or services, or their past or present officers, directors, executives or employees. Notwithstanding the foregoing, nothing contained in this Agreement will be deemed to restrict Executive from providing truthful information to any governmental or regulatory agency (or in any way limit the content of any such information) to the extent requested or required to provide such information pursuant to applicable law or regulation. Nothing in this section is intended to limit Executive's rights under Section 7 of the National Labor Relations Act.

4.5 Return of Property. Upon termination of her employment as General Counsel of the Company or at any time as the Company requests, the Executive will promptly deliver to the Company all documents (whether prepared by the Company, a subsidiary, an affiliate, the Executive or a third party) relating to the Company, any of its subsidiaries, an affiliate or any of their businesses or property that the Executive may possess or have under the Executive's

direction or control other than documents provided to the Executive in the Executive's capacity as a participant in any employee benefit plan, policy or program of the Company.

4.6 Remedies. The Executive acknowledges that (i) the Executive has had a..11 opportunity to seek the advice of counsel in connection with this Agreement; (ii) the provisions of this Section 4 are reasonable in scope and in all other respects; (iii) any violation of these provisions will result in irreparable injury to the Company; (iv) money damages may not be an adequate remedy for the Company in the event of a breach of any of these provisions by the Executive; and (v) specific performance in the form of injunctive relief would be an appropriate remedy for the Company. If the Executive breaches or threatens to breach any of these provisions, the Company shall be entitled, in addition to all other remedies, to seek an injunction restraining any such breach, without any bond or other security being required and without the necessity of showing actual damages.

5. Assignment

This Agreement is personal in nature, and neither this Agreement nor any part of any obligation herein shall be assignable by Executive. The Company shall be entitled to assign this Agreement to any affiliate of the Company or any entity that assumes the ownership and control of the business of the Company.

6. Severability

Should any term, provision, covenant or condition of this Agreement be held to be void or invalid, the same shall not affect any other term, provision, covenant or condition of this Agreement, but such remainder shall continue in full force and effect as though each such voided term, provision, covenant or condition is not contained herein.

7. Binding Arbitration

Any and all disputes which involve or relate in any way to this Agreement and/or to Executive's employment or termination of employment as General Counsel of the Company, whether initiated by Executive or by the Company and whether based on contract, tort, statute, or common law, shall be submitted to and resolved by final and binding arbitration as the exclusive method for resolving all such disputes. The arbitration shall be private and confidential and conducted in Los Angeles, California pursuant to the Federal Arbitration Act and applicable California law, and pursuant to the applicable rules of the American Arbitration Association ("AAA") relating to employment disputes, unless the parties otherwise mutually agree to modify the AAA Rules. A copy of the AAA Employment Rules are available for review at www.adr.org/employment and are incorporated herein by reference.

The party demanding arbitration shall submit a written claim to the other party, setting out the basis of the claim or claims, within the time period of any applicable statute of limitations relating to such claim(s). If the parties cannot mutually agree upon an Arbitrator, then the parties shall select a neutral Arbitrator through the procedures established by the AAA. The Arbitrator shall have the powers provided under the California Code of Civil Procedure relating to the arbitration of disputes, except as expressly limited or otherwise provided in this Agreement. The parties shall have the right to reasonable discovery. The parties agree that the Company shall pay

the administration costs of the AAA arbitration, including payment of the fees for the Arbitrator, and any other costs directly related to the administration of the arbitration. The parties shall otherwise be responsible for their own respective costs and attorneys' fees relating to the dispute, such as deposition costs, expert witnesses and similar expenses, except as otherwise provided in this Agreement to the prevailing party.

The Arbitrator may award, if properly proven, any damages or remedy that a party could recover in a civil litigation and shall award costs and reasonable attorneys' fees to the prevailing party as provided by law. The award of the Arbitrator shall be issued in writing, setting forth the basis for the decision, and shall be binding on the parties to the fullest extent permitted by law, subject to any limited statutory right to appeal as provided by law. Judgment upon the award of the Arbitrator may be entered in any state or federal court sitting in Los Angeles, California.

Nothing in this Section shall prevent Executive from filing or maintaining a claim for workers' compensation, state disability insurance, or unemployment insurance benefits, and nothing in this section shall be construed to prevent or excuse Executive or the Company from using existing internal procedures for the resolution of complaints. Employee may bring claims before administrative agencies when the law permits the agency to adjudicate those claims, even when there is an agreement to arbitrate; examples include claims or charges with the United States Equal Employment Opportunity Commission (or comparable state agency), the National Labor Relations Board, the U.S. Department of Labor, or the Office of Federal Contract Compliance Programs. Nothing in this Section shall require arbitration of disputes that are excluded from coverage by this section or by law.

The Company and Executive agree that any dispute in arbitration will be brought on an individual basis only, and not on a class, collective, or representative basis on behalf of others (this agreement to be referred to hereafter as the Class Action Waiver). The Class Action Waiver does not apply to any claim that Executive brings on behalf of both herself and others under the California Private Attorneys General Act of 2004. Executive will not be subject to any retaliation or discrimination if Executive seeks to challenge this arbitration provision or participate in a class, collective, or representative action in any forum, but Company may lawfully seek enforcement of this Agreement under the Federal Arbitration Act and seek dismissal of any class, collective, or representative actions or claims to the fullest extent allowed by law.

8. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and to be carried out in California. Each of the parties agrees to submit to the personal jurisdiction of any state or federal court sitting in Los Angeles, California in any action or proceeding arising out of or relating to this Agreement.

9. Notice

All notices and other communications under this Agreement shall be in writing and mailed, telegraphed, telecopied, or delivered by hand (by a party or a recognized courier service) to the other party at the following address (or to such other address as such party may have specified by notice given to the other party pursuant to this provision):

If to the Company:
Avita Medical
28159 Avenue Stanford
Suite 220
Valencia, CA 91355

If to Executive:
Donna Shiroma
At current home address on file with the Company

10. Miscellaneous

10.1 Binding Agreement. This Agreement shall inure to the benefit of and shall be binding upon the Company, its successors and assigns.

10.2 Entire Agreement. This Agreement contains the entire agreement of the parties relating to the subject matter hereof, and the parties hereto have made no agreements, representations or warranties relating to the subject matter of this Agreement that are not set forth otherwise herein. In this regard, each of the parties represents and warrants to the other party that such party is not relying on any promises or representations that do not appear in writing herein. This Agreement supersedes any prior verbal or written agreements with the Company regarding Executive's employment or offer of employment, except as specifically referenced herein. Each of the parties further agrees and understands that this Agreement can be amended or modified only by a written agreement signed by all parties.

10.3 Representations and Warranties. Executive and the Company hereby represent and warrant to the other that: (a) she or it has full power, authority and capacity to execute and deliver this Agreement, and to perform her or its obligations hereunder; (b) such execution, delivery and performance will not (and with the giving of notice or lapse of time or both would not) result in the breach of any agreements or other obligations to which she or it is a party or she or it is otherwise bound; (c) this Agreement is her or its valid and binding obligation in accordance with its terms; (d) Executive represents and warrants that she is under no other obligations, contractual or otherwise, that could impair her ability to perform fully and satisfactorily all of her obligations under this Agreement; (e) Executive has had full opportunity to review this Agreement, to obtain all legal advice she has deemed necessary or appropriate and has either done so, or voluntarily and knowingly declined to do so; and (f) neither party has been induced to enter into this Agreement through any promises, threats, coercion, or benefits not set forth expressly in writing in this Agreement.

10.4 Attorney's Fees. In the event that any party shall bring an action or proceeding in connection with the performance, breach or interpretation of this Agreement, then the prevailing party in any such action or proceeding, as determined by the court, arbitrator or other body having jurisdiction, shall be entitled to recover from the losing party all reasonable costs and expenses of such action or proceeding, including reasonable attorneys' fees and court costs.

10.5 Counterparts. This Agreement may be executed on separate copies, any one of which need not contain signatures of more than one party but all of which taken together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, this Agreement is executed as of May 7, 2018.

"COMPANY"

Avita Medical Ltd., an Australian corporation

By: _____

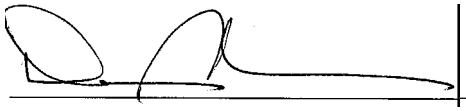
Name Dr. Michael S. Perry

Title: CEO

and

"EXECUTIVE"

Donna Shiroma

By: 

Donna Shiroma

Exhibit 14.1

CODE OF CONDUCT AVITA MEDICAL, INC. (“COMPANY”)

This Code of Conduct sets out the principles and standards which the Board, management and employees of the Company are encouraged to strive towards when dealing with each other, shareholders and the broad community.

1. RESPONSIBILITY TO SHAREHOLDERS The Company aims: a) to increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company’s shareholders and the financial community; and b) to comply with systems of control and accountability which the Company has in place as part of its corporate governance with openness and integrity.

2. INTEGRITY AND HONESTY Directors, management and staff shall deal with the Company’s customers, suppliers, competitors and each other with the highest level of honesty, fairness and integrity and observe the rule and spirit of the legal and regulatory environment in which the Company operates.

3. RESPECT FOR THE LAW The Company is to comply with all legislative and common law requirements which affect its business, in particular those in respect of occupational health and safety, the environment, native title and cultural heritage. Any transgression from the applicable legal rules is to be reported to the managing director as soon as a person becomes aware of such a transgression.

4. CONFLICTS OF INTEREST Directors, management and staff must not involve themselves in situations where there is a real or apparent conflict of interest between them as individuals and the interest of the Company. Where a real or apparent conflict of interest arises, the matter should be brought to the attention of: a) the chairperson in the case of a Board member; b) the managing director in the case of a member of management; and c) a supervisor in the case of an employee, so that it may be considered and dealt with in an appropriate manner for all concerned. 5. Protection of Assets Directors, management and staff must protect the assets of the Company to ensure availability for legitimate business purposes and ensure all corporate opportunities are enjoyed by the Company and that no property, information or position belonging to the Company or opportunity arising from these are used for personal gain or to compete with the Company.

6. CONFIDENTIAL INFORMATION Directors, management and staff must respect confidentiality of all information of a confidential nature which is acquired in the course of the Company’s business and not disclose or make improper use of such confidential information to any person unless specific authorization is given for disclosure or disclosure is legally mandated.

7. EMPLOYMENT PRACTICES The Company will employ the best available staff with skills required to carry out vacant positions. The Company will ensure a safe work place and maintain proper occupational health and safety practices commensurate with the nature of the Company’s business and activities.

8. RESPONSIBILITY TO THE COMMUNITY The Company will recognize, consider and respect environmental issues which arise in relation to the Company’s activities and comply with all applicable legal requirements.

9. RESPONSIBILITY TO THE INDIVIDUAL The Company recognizes and respects the rights of individuals and to the best of its ability will comply with the applicable legal rules regarding privacy, privileges, private and confidential information.

10. OBLIGATIONS RELATIVE TO FAIR TRADING AND DEALING The Company will deal with others in a way that is fair and will not engage in deceptive practices.

11. COMPLIANCE WITH THE CODE OF CONDUCT Any breach of compliance with this Code of Conduct is to be reported directly to the managing director or chairperson, as appropriate.

12. PERIODIC REVIEW OF CODE The Company will monitor compliance with this Code of Conduct periodically by liaising with the Board, management and staff especially in relation to any areas of difficulty which arise from this Code of Conduct and any other ideas or suggestions for improvement of it. Suggestions for improvements or amendments to this Code of Conduct can be made at any time by providing a written note to the managing director.

Exhibit 21.1

List of Subsidiaries

Subsidiary Name	Place of Incorporation	% Held	Business Purpose
AVITA Medical Pty Limited	Australia	100	Operating Company
AVITA Medical Americas, LLC	Delaware	100	U.S. operations
AVITA Medical Europe Limited	United Kingdom	100	EMEA operations
Visiomed Group Pty Ltd	Australia	100	Asia Pacific Operations
C3 Operations Pty Ltd	Australia	100	Holding company
Infamed Pty Ltd	Australia	100	Inactive

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated August 26, 2021, with respect to the consolidated financial statements included in the Annual Report of Avita Medical, Inc. on Form 10-K for the year ended June 30, 2021. We consent to the incorporation by reference of said report in the Registration Statements of Avita Medical, Inc. on Form S-3 (File No. 333-249419) and on Forms S-8 (File No. 333-248446 and File No. 333-250924).

/s/ GRANT THORNTON LLP

Los Angeles, California
August 26, 2021

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Perry, certify that:

1. I have reviewed this annual report on Form 10-K of Avita Medical, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15I and 15d-15I) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 26, 2021

/s/ Michael Perry
Name: Michael Perry
Title: President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Holder, certify that:

1. I have reviewed this annual report on Form 10-K of Avita Medical, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15I and 15d-15I) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 26, 2021

/s/ Michael Holder
Name: Michael Holder
Title: Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each of the undersigned officers of Avita Medical, Inc. (the "Company"), does hereby certify, to such officer's knowledge, that:

The Annual Report on Form 10-K for the year ended June 30, 2021 of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 26, 2021

/s/ Michael Perry
Name: Michael Perry
Title: President and Chief Executive Officer

Dated: August 26, 2021

/s/ Michael Holder
Name: Michael Holder
Title: Chief Financial Officer

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Form 10-K or as a separate disclosure document.