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12 February 2026

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 year ended December 31, 2025
- Annual report on Form 10-K for the year ended December 31, 2025 ("**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 March 31, 2026 on Form 10-Q and will hold a Company webcast to discuss those results in early May.

Authorized by

Cary Vance
Interim Chief Executive Officer

Appendix 4E

Preliminary Final Report

31 December 2025

AVITA MEDICAL, INC.

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Results for announcement to the market

(In thousands, except net tangible asset backing per ordinary security)	Movement	Year ended December 2025	Year ended December 2024
Financial Results		**USD**	**USD**
Sale of goods	Up 11%	71,610	64,251
Other (expense) income	Down 737%	(1,038)	163
Loss for the period attributable to owners of the parent	Down 21%	48,587	61,845
Total comprehensive loss attributable to owners of the parent	Down 22%	48,015	61,897

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

Net Tangible Asset Backing	**Year ended December 2025**	**Year ended December 2024**
Net tangible asset backing per common stock outstanding	($0.82)	($0.17)

- **Annual financial results:**
  This report is based on the accompanying consolidated Financial Statements for the year ended December 31, 2025, which have been audited by Grant Thornton LLP with the Report of Independent Registered Public Accounting Firm included in the 2025 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 year ended December 31, 2025.

- **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:

Revenue increased 11% to $71.6 million, compared to $64.3 million in the corresponding period in the prior year. The growth in revenues was largely driven by deeper penetration within customer accounts, new accounts for the treatment of traumatic and surgical wounds and, to a lesser extent, new product launches.

Gross profit margin was 82.1% compared to 85.8% in the corresponding period in the prior year. Note that the gross margin for RECELL products only was 84.3% for the year. The decrease in the overall gross margin percentage from the prior year was primarily caused by product mix and higher inventory reserve.

Total operating expenses were $101.4 million, compared to $111.8 million in prior year period, representing a decrease of $10.4 million or 9%. The reduction reflects a $5.1 million decline in sales and marketing expenses, primarily from lower salaries, benefits, stock-based compensation, and commissions. General and administrative expenses decreased by $5.8 million primarily from lower salaries, benefits, and stock-based compensation, while research and development expenses increased by $0.5 million due to higher salaries, benefits, stock-based compensation, and clinical trial costs associated with the Cohealyx and PermeaDerm post-market studies.

Net loss decreased 21%, or $13.3 million to $48.6 million compared to the $61.8 million recognized in the corresponding period in the prior year. The decrease in net loss was driven by lower operating expenses and higher gross profit.

Update on the Company's Cash Position:

The Company had approximately $10.2 million in cash and cash equivalents and $7.9 million in marketable securities at December 31, 2025, compared to $14.1 million of cash, cash equivalents and $21.8 million in marketable securities at December 31, 2024.

Net cash used in operating activities was $31.2 million during the year-ended December 31, 2025, and $48.9 million during the year-ended December 31, 2024. The decrease primarily resulted from lower operating costs and higher gross profit.

Net cash provided by investing activities was $12.5 million during the year-ended December 31, 2024, and was $37.4 million during the during the year-ended December 31, 2024. Cash flows provided by investing activities were primarily attributable to maturities of marketable securities.

Net cash provided by financing activities was $14.9 million and $3.5 million for the year-ended December 31, 2025 and 2024 respectively. The increase in cash provided by financing activities was due to the issuance of common stock.

Liquidity and Capital Resources:

Overview

Our Consolidated Financial Statements have been prepared on the basis we will continue as a going concern for the next 12 months. We had approximately $10.2 million in cash and cash equivalents and $7.9 million in marketable securities as of December 31, 2025. We have funded our research and development activities, and more recently our substantial investment in sales and marketing activities, through the sale of our products, the issuance of equity securities, and debt financing. If capital is not available to us when amounts are needed, we could be required to delay, scale back or abandon commercial and development programs and other operations, which could adversely impact our business, financial condition, and operating results.

Based on our liquidity position and current forecast of operating results and cash flows, management determined there is substantial doubt about our ability to continue as a going concern over the next twelve months following the date of issuance of these Consolidated Financial Statements due to our debt repayment obligations, historical negative cash flows, and recurring losses. As a result, we may require additional liquidity to continue our operations over the next twelve months.

Subsequent to December 31, 2025, on January 13, 2026 (the "Closing Date"), we entered into a Credit Agreement and Guaranty (the "Perceptive Credit Agreement"), which provides for a five-year senior secured credit facility in an aggregate principal amount of up to $60 million, of which (i) $50 million was funded on the Closing Date (the " Perceptive Initial Commitment Amount") and (ii) $10 million will be made available, at our discretion by notice on or before March 31, 2027, subject to satisfaction of a certain net revenue requirement. On the Closing Date, we closed on the Perceptive Initial Commitment Amount, less certain fees and

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expenses payable to or on behalf of the Lender. Simultaneously with the closing of the Perceptive Initial Commitment Amount, we repaid in full and terminated all of its obligations and commitments under our previous credit agreement.

On August 12, 2025, we completed a private placement (the "Placement") on the ASX to institutional and professional investors to raise $14.8 million, or $13.8 million after deducting sales commissions and offering expenses, through the issuance of 17,201,886 CHESS Depositary Interests ("CDIs"), which is the equivalent of 3,440,377 shares of Common stock.

Capital Management and Material Cash Requirements

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

For the annual period ended December 31, 2025, there were no dividends paid and we have no plans to commence the payment of dividends. With the exception of the milestone payments related to our exclusive development and distribution agreement with Regenity, we have no purchase commitments or long-term contractual obligations except for lease obligations as of December 31, 2025. Refer to Footnote 7 of the Financial Statements for further details on our lease obligations. In addition, 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. 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.

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 year ended December 31, 2025.

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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2025

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**	**Nasdaq Capital Market**

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. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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 $138,669,045 on June 30, 2025, using the closing price on June 30, 2025 of $5.29.

The number of shares of the registrant's $0.0001 par value common stock outstanding as of February 6, 2026 was 30,631,794.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's Proxy Statement for the Annual Meeting of Stockholders to be held on June 3, 2026, are incorporated by reference into Part III of this Form 10-K.

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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 "anticipate," "believe," "contemplate," "continue," "estimate," "expect," "forecast," "goal," "guidance," "intend," "look forward," "may," "outlook," "plan," "potential," "predict," "project," "should," "target," "will," "would" and similar expressions to future periods. Forward-looking statements are not based on historical facts but rather represent current expectations and assumptions. Factors that may influence or contribute to the inaccuracy of the forward-looking statements or cause actual results to differ materially from expected or desired results may include, without limitation: uncertainties associated with our expectations regarding future revenue or future growth in revenue, profit, or gross and/or operating margins, future working capital, costs, productivity, business process, rationalization, investment (including rates); the ability to achieve or sustain profitability; industry market conditions; increased competition; failure to obtain, maintain or enforce our intellectual property rights, including our expectations regarding the future scope of such rights; failure to obtain and/or maintain regulatory approvals and comply with applicable regulations; the conduct or outcome of pre-clinical or clinical studies; operational and management restructuring activities; our ability to find and maintain partnerships relating to collaborations, strategic arrangements, and licensing arrangements; our ability to manage consulting, operational, financial, and capital projects and/or initiatives; mergers and acquisitions (and related integration activities); if third parties fail to uphold their contractual duties or meet expected deadlines; our ability to obtain and maintain favorable coverage and reimbursement determinations from third party payors; market reaction to growth or product initiatives; our ability to expand our sales and marketing organizations to address existing and new markets that we intend to target; our ability to attract and retain qualified personnel, including management; market penetration of our products; changes in our production capacity; the ability to continue to scale our manufacturing operations to meet the demand for our products; non-compliance with debt covenants, which may result in the acceleration of our debt obligations or the need for renegotiations with our lenders; solvency; changes to tax and interest rates; inflationary pressures on the U.S. and global economies, respectively; changes in the legal or regulatory environments; the impact of a cybersecurity breach, terrorist attack or other geopolitical instability; and the impact of a pandemic or epidemic, or natural disaster.

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, 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.

As used herein, unless the context otherwise requires, references to "we," "our," "us," "the Company," and "AVITA Medical" refer to AVITA Medical, Inc., a Delaware corporation, and its subsidiaries.

Currency

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

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PART I

Item 1. BUSINESS

OVERVIEW

AVITA Medical is a leading therapeutic acute wound care company delivering transformative solutions designed to optimize wound healing, accelerate patient recovery, and improve clinical and economic outcomes across the continuum of acute wound management. Our technologies address critical healing needs arising from burns, traumatic injuries and surgical repairs, through a portfolio of proprietary and complementary products that support wound bed preparation, definitive closure, and recovery.

Our current commercial portfolio includes RECELL® ("RECELL"), and two complementary wound care products, PermeaDerm® and Cohealyx™, which together support a comprehensive standard of care for acute wounds.

At the forefront of our portfolio is RECELL, approved by the United States Food & Drug Administration (the "FDA") for the treatment of thermal burn wounds and full-thickness skin defects. While RECELL is also approved in the United States for restoring pigmentation of stable depigmented vitiligo lesions, we have paused further commercial investment in vitiligo at this time.

In 2024 and 2025, we expanded our product offerings to address additional acute wound care needs. In January 2024, we entered into an exclusive multi-year distribution agreement with Stedical Scientific, Inc. ("Stedical") to market, sell, and distribute PermeaDerm, a biosynthetic wound matrix in the United States ("U.S."). In March 2025, we entered into a multi-year agreement to also manufacture PermeaDerm. In July 2024, we entered into an exclusive multi-year development and distribution agreement with Collagen Matrix, LLC d/b/a as Regenity Biosciences ("Regenity"), granting us exclusive rights to market, sell, and distribute Cohealyx, an AVITA-medical branded collagen-based dermal matrix in the U.S., with potential expansion into the European Union ("E.U."), Australia, and Japan. Cohealyx was commercially launched in the U.S. on April 1, 2025.

CORPORATE HISTORY

AVITA Medical Limited ("AVITA Australia"), the former Australian parent company of AVITA Medical, was founded in December 1992. On October 1, 2019, AVITA Australia began trading its American Depositary Shares on the Nasdaq Capital Market ("Nasdaq") under the symbol "RCEL". In 2020, the Company redomiciled to the U.S. (the "Redomiciliation"). Today, our common stock continues to trade on Nasdaq under "RCEL" and our CHESS Depositary Interests ("CDIs") trade on the Australian Securities Exchange ("ASX") under the symbol "AVH."

STRATEGY

RECELL remains the cornerstone of our business; however, beginning in 2024 we evolved AVITA Medical into a multi-product acute wound care platform company. Our strategy is to build a comprehensive portfolio that addresses wound management from initial coverage and wound bed preparation through definitive closure and healing, while leveraging a single commercial infrastructure focused on burn, trauma and surgical centers.

Key elements of our strategy include:

- Increasing market penetration in U.S. burn centers, positioning RECELL as the standard of care in burn management;
- Expanding adoption of RECELL for the treatment of traumatic and surgical wounds throughout the U.S.;
- Commercializing and expanding adoption of Cohealyx as a dermal matrix that supports wound bed preparation and accelerates readiness for grafting;
- Driving adoption of RECELL GO mini in burn and trauma centers treating smaller wounds;
- Advancing post-market clinical studies for Cohealyx and PermeaDerm to generate additional clinical and health economic evidence supporting adoption;
- Expanding internationally through distributor-led commercialization following regulatory approvals, including CE Mark approval for RECELL GO in Europe;
- Driving commercial revenue growth, improving operating leverage, generating positive cash flow, and achieving long-term operating profitability; and
- Pursuing additional business development opportunities complementary to our target acute wound care markets.

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PRODUCT PORTFOLIO

RECELL Technology Platform

RECELL is an autologous cell harvesting technology that enables clinicians to create a suspension of a patient's own skin cells, called Spray-On Skin™, at the point of care. The technology allows clinicians to treat large wounds using a small donor skin sample, reducing donor site morbidity while maintaining or improving healing outcomes.

How RECELL Works

RECELL enables clinicians to harvest a thin, split-thickness skin sample from the patient and process it into an autologous cellular suspension in approximately 30 minutes. The suspension contains key skin cell populations, including keratinocytes, fibroblasts, and melanocytes, which are critical to regenerative wound healing and pigment restoration.

The technology underlying RECELL was invented in Australia, by the pioneering work of Professor Fiona Wood and fellow scientist Marie Stoner.

Device Evolution

We continue to refine and expand the RECELL technology to meet a range of clinical and workflow needs; including automating key steps in some RECELL procedures, and adopting the technology to efficiently treat a range of different wound sizes:

- RECELL Autologous Cell Harvesting Device ("RECELL 1920"): A single-use, stand-alone, battery operated device capable of treating wounds up to 1,920 cm^2.
- RECELL Autologous Cell Harvesting Device with Ease-of-Use ("RECELL Ease-of-Use" or "RECELL EOU"): An enhanced, single-use device designed to improve workflow efficiency while maintaining treatment capacity up to 1,920 cm^2.
- RECELL GO® Autologous Cell Harvesting Device ("RECELL GO"): A next-generation system consisting of a reusable, AC-powered RECELL Processing Device ("RPD") and a single-use preparation kit ("RPK"). A single RPK can treat wounds up to 1,920 cm^2. RECELL GO standardizes the preparation of Spray-On Skin Cells, significantly reducing the training burden on medical staff, improving workflow efficiency in the operating room, and precisely regulating the incubation times of the RECELL Enzyme™ to optimize cell yield and promote cell viability.
- RECELL GO mini Autologous Cell Harvesting Device ("RECELL GO mini"): A line extension of RECELL GO designed to treat smaller wounds up to 480 cm^2. RECELL GO mini uses the same RPD with an RPK optimized for smaller skin samples. FDA approval was received on December 23, 2024, and commercial rollout began at the end of the first quarter of 2025.

We expect the RECELL GO platform to serve as a growth driver, further advancing our strategy to expand our impact on wound healing and patient care.

Key U.S. FDA Regulatory Approvals

Date	Device / Indication	Description
September 2018	RECELL 1920	Indicated for treating acute partial-thickness thermal burns and acute full-thickness thermal burns in combination with meshed autografting in patients 18 years and older. Commercialization commenced in January 2019 in the U.S.
June 2021	Expanded use of RECELL 1920	Approved for use in combination with meshed autografting for acute full-thickness thermal burns in both pediatric and adult patients, and for full-thickness thermal burns over 50% total body surface area ("TBSA").
February 2022	RECELL EOU	Approved a single-use device providing a more efficient user experience and streamlined workflow.

June 2023	Full-thickness skin defects	Expanded RECELL EOU indication based on pivotal trial results for soft tissue repair and reconstruction. Commenced commercial launch in June 2023.
June 2023	Repigmentation of stable depigmented vitiligo	Expanded RECELL EOU indication for stable depigmented vitiligo lesions.
May 29, 2024	RECELL GO	Next-generation autologous cell harvesting device to treat thermal burn wounds and full-thickness skin defects; designed for wounds up to 1,920 cm^2. Following this approval, we shipped the first RECELL GO order on May 30, 2024, to accommodate the first case for its use on May 31, 2024.
December 23, 2024	RECELL GO mini	Next-generation autologous cell harvesting device to treat thermal burns and full-thickness skin defects; designed for smaller wounds (up to 480 cm^2).

Market Opportunity

Burn Injuries

In the U.S., approximately 40,000 people have burn injuries severe enough to require hospital admission annually, with an inpatient mortality rate of 2.7%. Second- and third-degree burns often require autologous split-thickness skin grafts ("STSGs") to achieve definitive closure of the burn wound. However, donor-site creation in a STSG, or autograft, procedure is associated with significant pain, risk of infection, scarring, delayed healing, and increased healthcare costs. In patients with extensive burns, the availability of healthy donor skin may be limited, requiring staged procedures and temporary coverage with allograft (cadaver skin) or xenograft (typically pig skin), which can prolong hospitalization and increase overall cost of care. As such, treatment with STSGs is expensive, costing around $579,000 and resulting in an average hospital stay of 59.4 days for a patient with a 40% TBSA burn injury to recover and return to normal daily activities.

The clinical benefits of achieving rapid and durable wound closure are well recognized and include increased survival, decreased pain duration, reduced infection risk, improved functional and aesthetic outcomes, and potentially shorter hospital stays. RECELL was designed to address the limitations of traditional grafting by enabling treatment of wound areas using a substantially smaller donor skin sample, while preserving or improving healing outcomes.

In pivotal clinical trials, RECELL significantly reduced donor-skin requirements by up to 97.5% for second-degree burns and 32% for third-degree burns when used with meshed autografts, compared to standard of care autografting, without compromising healing. Additionally, a clinical trial for second-degree burns revealed a statistically significant reduction in patient-reported pain, increased patient satisfaction, and improved scar outcomes.

Retrospective studies further demonstrated that fewer autografting procedures are required for definitive closure of full-thickness burns when RECELL is used compared to conventional autografting alone. In pediatric cases (N = 284), treatment with RECELL resulted in a 56% reduction in the mean number of autograft procedures required compared to National Burn Registry (**"**NBR**"**) data. Additionally, in adult patients with greater than 50% TBSA (N=318), RECELL resulted in a 60% reduction in the mean number of autograft procedures versus NBR data.

In addition to these clinical benefits, RECELL has demonstrated meaningful health-economic advantages across a range of burn severities. Health-economic analyses have shown that RECELL use is associated with reductions in overall cost of care driven by fewer operative procedures, reduced donor-site morbidity, and the potential for shorter hospital stays. These cost savings have been observed across both deep partial-thickness and full-thickness burns and are net of the cost of the RECELL device.

Budget impact modeling developed by the Company further indicates that, in a representative burn center treating approximately 200 patients annually, adoption of RECELL could reduce total annual treatment costs by approximately 17% compared to conventional autografting alone. Real-world evidence published by IQVIA and supported by the Biomedical Advanced Research and Development Authority ("BARDA") demonstrates that these economic benefits are observed across a broad range of burn sizes and patient demographics.

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In 2025, real-world evidence derived from the American Burn Association's national burn registry further supported the clinical and operational benefits of RECELL in adult patients with deep partial-thickness burns. In a matched analysis, RECELL treatment for such patients was associated with an average 36% reduction in hospital length of stay compared to traditional split-thickness skin grafting. These findings reinforce prior clinical and retrospective studies demonstrating that RECELL use is associated with shorter hospitalizations and improved patient throughput in high-acuity burn care settings.

Further supporting the durability and generalizability of these outcomes, a global systematic synthesis of peer-reviewed clinical evidence evaluating RECELL was presented in September 2025. This review encompassed clinical studies across diverse wound etiologies, depths, patient populations, and care settings and demonstrated consistent trends toward reduced donor-site burden, faster healing, and decreased hospital length of stay and healthcare utilization compared to traditional grafting approaches. Collectively, this body of evidence supports RECELL as an evidence-based approach to wound healing with broad clinical applicability.

Adoption decisions in burn centers are typically evaluated through hospital value analysis committees ("VACs"), which assess both clinical outcomes and total cost of care. We have observed that surgeons often adopt RECELL first in larger and more complex burns, where the clinical and economic benefits are most pronounced, and subsequently expand use to smaller or less severe wounds as familiarity with the technology increases.

In the U.S., RECELL is reimbursed through established inpatient and outpatient reimbursement mechanisms. In the inpatient setting, hospitals receive payment under the Medicare Severity Diagnosis-Related Group ("MS-DRG") system, which classifies hospital stays by diagnosis and procedures performed. For physicians, as well as in outpatient and ambulatory surgical center ("ASC") settings, Current Procedural Terminology ("CPT") codes are used to describe procedures and support billing. On January 1, 2025, new Category I CPT codes (15011–15018) became effective to describe Skin Cell Suspension Autograft ("SCSA") procedures performed using RECELL, replacing prior coding constructs and enabling standardized billing for healthcare providers. The Company continues to collaborate with both Medicare and commercial payers to expand coverage and ensure appropriate reimbursement for RECELL and its associated procedures, aiming to enhance patient access and support broader adoption in clinical practice.

The U.S. burn treatment market is highly concentrated, with approximately 140 specialized burn centers treating the majority of severe burn patients. Historically, our commercial focus has been centered on these burn centers, which continue to represent a core component of our customer base. With the expansion of RECELL indications to include full-thickness skin defects, we have broadened our commercial focus to additional trauma and surgical settings that treat complex acute wounds and often share clinical, operational, and economic characteristics with burn centers. Many burn centers are designated trauma centers, and adoption in these settings is supported by overlapping surgeon populations, similar care pathways, and comparable hospital value analysis and purchasing processes.

Full-Thickness Skin Defects

Full-thickness wounds arise from traumatic injuries, surgical wounds, and oncologic excisions and resections that extend through the dermal layer into deeper tissues. These acute wounds are frequently associated with significant tissue loss, contamination, and complex zones of injury, and they present many of the same challenges encountered in severe burns, including limited donor skin availability, risk of delayed healing, and the need for staged reconstruction.

RECELL is approved for the treatment of full-thickness skin defects, enabling clinicians to reduce donor skin harvesting while achieving wound closure outcomes comparable to conventional autografting. The clinical studies that supported FDA approval demonstrated statistically significant donor skin sparing with non-inferior healing outcomes relative to standard of care. In the U.S., we estimate that approximately 272,000 procedures annually may be eligible for treatment with RECELL across traumatic injuries, surgical wounds, and cancer-related resections. This indication materially expands our addressable market and allows us to leverage our existing commercial infrastructure and clinical relationships. Approximately half of U.S. burn centers are also designated trauma centers, and many trauma and surgical centers follow similar adoption and value analysis processes. As a result, the expansion into full-thickness skin defects represents a natural extension of our burn-focused business rather than the creation of a distinct new market.

From a reimbursement perspective, the same DRG code that is currently being used to treat inpatient burns is now being applied for the treatment of full-thickness skin defects.

Effective October 1, 2025, the Centers for Medicare & Medicaid Services ("CMS") approved a New Technology Add-On Payment ("NTAP") for RECELL when used in combination with meshed autograft for certain inpatient non-thermal full-thickness skin defects. NTAP provides incremental reimbursement above the applicable MS-DRG payment for a limited period, intended to support hospital adoption of innovative technologies like ours that demonstrate substantial clinical improvement.

Vitiligo

RECELL is approved for the repigmentation of stable depigmented vitiligo lesions. Vitiligo is a chronic autoimmune condition characterized by the loss of melanocytes, resulting in depigmented skin patches that can affect patients' quality of life. Following FDA approval, we conducted post-market clinical and health economic studies to evaluate RECELL use in vitiligo, and these studies were published in 2025. Despite regulatory approval and demonstrated clinical benefit, reimbursement for vitiligo procedures remains limited and uncertain. As a result, we have paused further commercial investment in vitiligo at this time.

Cohealyx

Cohealyx is an AVITA-Medical branded collagen-based dermal matrix developed and commercialized pursuant to a multi-year exclusive development and distribution agreement with Regenity. Designed to support wound bed preparation, Cohealyx features an advanced bovine collagen-based design engineered to facilitate tissue integration and revascularization resulting in reduced treatment timelines and improved patient outcomes in full-thickness wounds.

Preclinical studies in porcine models demonstrated that Cohealyx generated robust tissue capable of consistently supporting a split-thickness skin graft in a two-stage procedure earlier than leading dermal matrices in the study. While animal model results do not necessarily translate to clinical results, this expedited timeline is anticipated to lead to quicker wound closure and streamlined clinician workflows, improving patient outcomes, and resulting in potential reduction in both treatment costs and hospital stays.

The FDA granted 510(k) clearance for Cohealyx on December 19, 2024, and we initiated commercial launch of Cohealyx in the United States on April 1, 2025.

In 2025, the first peer-reviewed clinical publication evaluating Cohealyx was published, reporting early clinical experience in complex full-thickness wounds. The case series provided initial clinical evidence supporting accelerated wound bed vascularization and readiness for autografting, consistent with prior preclinical findings. While limited in scope, these results support the intended role of Cohealyx as part of a two-stage wound management approach leading to definitive closure. To further develop clinical data, we are conducting a post-market clinical study of 40 patients to demonstrate Cohealyx's performance in real-world settings, focusing on time-to-graft reduction in the treatment of full-thickness wounds and burns.

PermeaDerm

PermeaDerm is a biosynthetic wound matrix that we manufacture, and exclusively market and distribute in the U.S., under multi-year agreements with Stedical. It is FDA-cleared for the treatment of a variety of wound types and sizes until healing is achieved. PermeaDerm has three key attributes: (i) transparency, allowing clinicians to monitor wounds without frequent dressing changes; (ii) variable porosity, allowing clinicians to customize moisture management; and (iii) flexibility and adherency, allowing applications across a wide variety of wound presentations, including articulating joints. This trio of features supports use across acute care hospitals, burn centers, and surgical settings.

Within our portfolio, PermeaDerm complements RECELL by providing wound coverage before and after definitive closure, supporting wound management throughout the healing process. In addition, we are conducting a post-market clinical study, with approximately 40 patients enrolled, to evaluate the health economic impact of PermeaDerm compared to human cadaveric allograft.

INTERNATIONAL STRATEGY

Outside the U.S., RECELL has received regulatory approvals or registrations in multiple markets, including Australia, Europe, and Japan. In September 2025, RECELL GO received Conformité Européene ("CE") mark approval, enabling commercialization in the European Union and other CE mark-recognizing markets. Our international commercialization strategy relies on third-party distributions rather than direct sales.

RESEARCH & DEVELOPMENT

Our research and development activities are focused on advancing our innovative products and building a comprehensive portfolio of solutions, as well as developing clinical applications to advance the management of wound care. Additionally, we continue to conduct clinical studies to provide further efficacy and health economic evidence.

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SALES AND MARKETING

Our commercial organization is focused on clinical case support, staff training, and building awareness to further expand interest in the clinical and economic benefits of our acute wound care products. It is not uncommon in the treatment of wounds to have rotating staff and it is our commitment for all those working with our products to be comfortable with our technologies both during the procedure as well as during aftercare.

Our commercial organization is composed of highly experienced medical sales representatives as well as former burn and trauma nurses. This organization covers both burns and full-thickness skin defects.

HUMAN CAPITAL

As of December 31, 2025, we employed approximately 226 full-time and part-time employees, the majority of whom are based in the U.S. A significant number of our management and professional employees have prior experience with leading medical device, 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, starting at the leadership level and extending to all levels of the Company. As of December 31, 2025, the Directors of the Company were 33% female, our senior executive team was 40% female, and our total employee base was 52.5% female.

INTELLECTUAL PROPERTY

Intellectual property, including patents, trade secrets, trademarks and copyrights, is critical to our business. Our commercial success depends in part on our ability to obtain and maintain proprietary intellectual property protection for our current products as well as for future product candidates and novel discoveries, product development technologies, and know-how. Our commercial success also depends in part on our ability to operate without infringing the proprietary rights of others and to prevent others from infringing our proprietary rights.

We protect our intellectual property, core technologies, and other know-how through a combination of patents, trademarks, trade secrets, and IP protection clauses in our agreements. 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 December 31, 2025, we had 6 issued U.S. utility patents, which are expected to expire between 2034 and 2043; 1 issued U.S. design patent, which is expected to expire in 2038, 7 pending U.S. utility patent applications, and 5 pending U.S. design patent applications. Additionally, as of December 31, 2025, we had 3 granted patents in Australia, 1 granted patent in Brazil, 1 granted patent in Canada, 1 granted patent in China, 1 granted patent in Hong Kong, 2 granted patents in Japan, 2 granted patents in Europe, each validated in Germany, Spain, France, Great Britain, and Italy, and 3 German utility models, which are expected to expire between 2033 and 2041; 4 certified registered designs in Australia, 2 design patents in China, 16 registered community designs in Europe, 2 design registrations in Japan, 16 registered designs in the United Kingdom, which are expected to expire between 2034 and 2050; and 5 pending patent applications in Australia, 1 pending patent application in Canada, 4 pending patent applications in China, 7 pending patent applications in Europe, 2 pending patent applications in Hong Kong, 4 pending patent applications in Japan, 1 pending patent application in New Zealand, 6 registered designs in Australia, 1 pending design patent in China, 5 pending design registrations in Japan, and 6 pending registered designs in New Zealand. The foregoing estimated expiration dates for the issued and granted patents do not account for potentially available patent term extensions and assume payment of appropriate maintenance, renewal, annuity and other governmental fees. Calculation of the expiration of issued or granted patents is complex, varies by country and is based upon many factors. Accordingly, the foregoing expiration dates are estimates.

Our owned U.S. and foreign patents and patent applications generally relate to devices for preparing regenerative epidermal suspensions for skin regeneration and wound healing, methods for harvesting and preparing cells for transplant or treatment of a tissue site, including automated preparations, methods of treating a tissue site with a regenerative epidermal suspension, methods of preparing a regenerative suspension with exogenous agents to promote wound healing, methods of evaluating the therapeutic potential of regenerative epidermal suspension, and methods of preparing a cell-free and allogeneic regenerative epidermal suspension supernatant.

Additionally, as of December 31, 2025, we owned 147 registered trademarks, common or state law trademarks, and 17 pending trademark applications, including “AVITA Medical,” the AVITA Medical logo, “RECELL,” “RECELL GO”, the RECELL GO logo, “RECELL GO mini”, “Spray-On Skin,” the RECELL logo, “Cohealyx,” the Cohealyx logo, and others in the U.S. and international markets.

FACILITIES

AVITA Medical leases approximately 17,500 square feet of administrative and office space in Valencia, California that is currently leased through October 31, 2026. We operate an FDA-registered production plant in Ventura, California, in a 27,840 square foot facility that is currently leased through September 30, 2030. We also lease a 3,360 square foot storage facility adjacent to our existing production plant in Ventura under a lease agreement that expires on September 30, 2030. We also have an administrative office lease in Irvine, California of approximately 10,700 square feet that is currently leased through the end of July 2028. We also lease a limited amount of incubator space in Irvine, California for scientific research and product development activities.

MANUFACTURING, SUPPLY AND PRODUCTION

We produce RECELL and PermeaDerm in our 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 RECELL. We maintain a state of regulatory compliance and inspection readiness at all times, and any future material changes to our production processes 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 RECELL and PermeaDerm. In August of 2025, we received approval from the FDA to conduct quality testing in house for U.S. products, and in October 2025 we received the same approval from our notified body for E.U. products. Bringing quality testing in house reduces our reliance on third-party test laboratories..

AVITA Medical 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 our supply chain. Additionally, in the second half of 2024, we implemented lean manufacturing methods to increase efficiencies in the production of RECELL. We believe that our current manufacturing capacity at the Ventura facility is sufficient to meet the expected commercial demand for burns, full-thickness skin injuries, and other indications under development, for the foreseeable future.

AVITA Medical ships its products directly from our Ventura facility to customers and distributors. From time-to-time we may also store small quantities of products at satellite distribution sites within the U.S. to better support access to our U.S. customers.

BARDA CONTRACT

BARDA, under the Assistant Secretary for Preparedness and Response, within the U.S. Department of Health and Human Services (“HHS”) has supported our company since 2015. A contract with BARDA provided funding for the development of the RECELL. The BARDA contract also supported the Company’s clinical trial in soft-tissue reconstruction, which led to the full-thickness skin defect indication. In addition to the clinical support provided by BARDA, we managed an inventory system of RECELL devices for BARDA to bolster emergency preparedness and support the logistics of emergency deployment of RECELL for use in mass casualty or other emergency situations. Between 2015 and December 31, 2025, we have received an aggregate total of $40.7 million in payments under the contract with BARDA.

As of December 31, 2023, we no longer have a contractual obligation to manage an inventory system for BARDA. However, from that date through September 28, 2025, we had an agreement to provide access to RECELL inventory in the event of a national emergency. Under that agreement, BARDA would pay for any devices requisitioned from this inventory along with a nominal annual maintenance fee to ensure first right of access. We anticipate BARDA will renew that agreement, but has been delayed due to the recent shutdown of the federal government.

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COMPETITION

We currently believe that there is no direct competition for RECELL. Additionally, our innovative technology is supported by our expanding intellectual property portfolio and we believe that regulatory approval processes around the world will continue to provide additional and significant barriers to entry against meaningful competition. Despite these meaningful competitive advantages, the medical device, biotechnology, and pharmaceutical industries are highly competitive and subject to rapid advancements in technology, as well as changes in practice. In the future, we may face competition from various sources, including medical device, pharmaceutical, and wound care companies, academic and medical institutions, governmental agencies, medical practitioners, and public and private research institutions, among others. Consequently, any product that we successfully develop and/or commercialize will compete with both existing therapies and any new therapies that may emerge in the future.

In both the burn and non-burn wound markets, our indirect competitor is primarily split-thickness autografts. While RECELL complements autografts for the treatment of various wound injuries, split-thickness autografts represent the traditional surgical procedure and the current standard of care. However, based on our clinical trials and commercial experience, we believe that RECELL offers sustainable competitive, clinical, and economic advantages over the traditional surgical procedure. We also believe that our current portfolio products (Cohealyx and PermeaDerm)l enhance these advantages.

GOVERNMENT REGULATIONS

The production and marketing of our current products, as well as 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 (the "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. RECELL 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. In June 2023, the FDA approved both a supplement to our PMA to expand the use of RECELL for full-thickness skin defects and an original PMA to expand the use of RECELL for the repigmentation of stable depigmented vitiligo lesions. On May 29, 2024, the FDA approved our PMA supplement for RECELL GO, our next generation autologous cell harvesting device, to treat thermal burn wounds and full-thickness skin defects. On December 23, 2024, the FDA approved RECELL GO mini. Cohealyx and PermeaDerm have both received 510(k) clearance from the FDA.

To support additional PMAs or 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, 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 cGMP, 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 the 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. We have established processes for the 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 requirements and other FDA and international agency regulatory requirements, approved supplier lists, and 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 products.

In addition to FDA approval in the U.S., RECELL has received various approvals and registrations in international markets. RECELL (including RECELL GO) has received CE-mark approval in Europe; RECELL, excluding RECELL GO, has received PMDA approval for burns in Japan and is TGA-registered in Australia.

HEALTHCARE LAWS AND REGULATIONS

AVITA Medical is a manufacturer of medical devices, 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 Medical is committed to the highest standards of business conduct in accordance with the AdvaMed Code of Ethics on Interactions with Health Care Professionals (the "AdvaMed Code"). We are members of AdvaMed and have been AdvaMed-certified since December 2025, reflecting our commitment to ethical, transparent, and compliant interactions with healthcare providers.

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 guidelines in our interactions with healthcare providers promulgated by global trade associations and relevant compliance guidance issued by the HHS, Office of Inspector General. Such guidelines 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. We maintain a robust compliance program designed to meet applicable federal and state laws and to align with recognized industry standards, including the AdvaMed Code and relevant HHS Office of Inspector General guidance.

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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 companies to maintain books and records that accurately and fairly reflect all transactions of 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 National Physician Payment Transparence Program (Open Payments) Act, AVITA Medical is required to annually report certain payments or transfers of value to HCPs annually to CMS. In addition to adhering to these federal reporting requirements, we are required to make similar annual reports to relevant state agencies.

Privacy

Various federal, state, and foreign laws govern the privacy and security of consumer and patient information. We comply with all such applicable laws.

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 material violations or deficiencies relating to these requirements. These laws, regulations and permits could potentially impose additional costs related to 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 Securities Exchange Act of 1934 (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/news-releases. 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. We maintain a website at www.avitamedical.com. Information contained on our website is not part of or incorporated into this Annual Report.

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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 products in the United States and other jurisdictions, we have not yet achieved profitability. We had a total net loss of $48.6 million and $61.8 million for the year ended December 31, 2025 and 2024, respectively. We have incurred a cumulative deficit of $408.4 million through December 31, 2025. We anticipate that we may continue to incur losses at least until sales of our products 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 where regulatory approval is in process or pending.

Servicing our debt requires a significant amount of cash and we are subject to a number of restrictive covenants relating to our indebtedness, which may restrict our business and financing activities.

We had previously entered into a credit agreement with OrbiMed Advisors, LLC (as amended, the "Previous Credit Agreement") on October 18, 2023, most recently amended in the Previous Credit Agreement's Sixth Amendment, on November 5, 2025 (the "Sixth Amendment") and incurred $40.0 million of indebtedness secured by substantially all of our assets.

On January 13, 2026, we entered into a new Credit Agreement and Guaranty (the "Perceptive Credit Agreement"), and Security Agreement (the "Security Agreement"), by and among us, as borrower, Avita Medical Americas, LLC, a wholly-owned subsidiary of the Company, as guarantor (the "Guarantor," taken together with the Company, the "Obligors") and Perceptive Credit Holdings V, LP as a lender and the administrative agent (the "Lender," and the "Administrative Agent," as applicable). The Perceptive Credit Agreement provides for a five-year senior secured credit facility in an aggregate principal amount of up to $60 million (the "Loan Facility"), of which (i) $50 million was funded on the Closing Date (the "Initial Commitment Amount") and (ii) $10 million will be made available, at our discretion by notice to the Administrative Agent on or before March 31, 2027, subject to satisfaction of a certain net revenue requirement (the "Additional Commitment Amount"). On the Closing Date, we closed on the Initial Commitment Amount, less certain fees and expenses payable to or on behalf of the Lender. Simultaneously with the closing of the Initial Commitment Amount, we repaid in full and terminated all of obligations and commitments (other than previously issued warrants) (the "Refinancing Transaction")[1] under the Previous Credit Agreement.

This level of debt could have significant consequences on future operations, including increasing our vulnerability to adverse economic and industry conditions and limiting our flexibility in planning for, or reacting to, changes in our business and the markets in which we compete.

Our ability to make scheduled payments of interest depends on our future performance, which is subject to interest rate risk, as well as economic, financial, competitive, and other factors beyond our control. We are exposed to risks related to a potential rising interest rate environment for the debt, which could cause our borrowing costs to rise and impact our liquidity. Our business may not generate cash flow from operations in the future sufficient to service our debt in cash while simultaneously making necessary capital expenditures. In addition, if the Company's net revenue does not equal or exceed a certain amount for upcoming fiscal periods as set forth in the Perceptive Credit Agreement, then the Company will be in default of the Perceptive Credit Agreement.

[1]Additional details concerning the Perceptive Credit Agreement, the Security Agreement, and the Refinancing Transaction are provided in Item 7, infra.

If we are unable to generate sufficient cash flow to satisfy payment obligations under the Perceptive Credit Agreement, we may be required to adopt one or more alternatives, such as obtaining additional equity capital on terms that may be onerous or highly dilutive. We may not be able to engage in any of these activities, or such activities may only be available to the Company on undesirable terms, which could result in a default on our debt obligations.

The restrictions and covenants in the Perceptive Credit Agreement may also prevent us from taking actions that we believe would be in the best interests of our business, and may make it difficult for us to successfully execute our business strategy or effectively compete with companies that are not similarly restricted. Our ability to comply with these covenants in future periods will largely depend on the success of our products, and our ability to successfully implement our overall business strategy. We may be unsuccessful in obtaining waivers or amendments to restrictions and covenants in certain agreements with our customers or counterparties. And any breach by the Company of covenants and restrictions in such agreements could result in a default under the Perceptive Credit Agreement, which could result in an acceleration of the repayment of our indebtedness.

We may require additional financing in the future to continue the development and commercialization of our current and future products, which may cause dilution to our existing stockholders. 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, repay indebtedness in accordance with the Perceptive Credit Agreement, and take 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 available at all. If we raise additional capital through the issuance of equity, 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. 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.

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. Our competitors may have significantly more financial and other resources to invest in product development. We must, therefore, continue to develop and market new products, or we risk our products becoming obsolete, in which case, our revenues may decline, adversely impacting our financial condition or our business prospects.

Our success depends, in part, on our relationships with, and the efforts of, third-party distributors.

We rely on third-party distributors for a portion of our sales in countries outside of the U.S. Our distributors may not commit the necessary resources to market and sell our products to the level of our expectations, and, regardless of the resources they commit, they may not be successful. If we are not able to maintain our distribution network, if our distribution network is not successful in marketing and selling our products, or if we experience a significant reduction, cancellation, or change in the size and timing of orders from our distributors, our revenues could decline significantly and lead to an inability to meet operating cash flow requirements, which would have a material adverse effect on our business, financial condition, or results of operations.

Certain of our products are dependent on specialized sources of supply potentially subject to disruption which could have a material, adverse impact on our business.

Due to the cost and regulatory requirements associated with qualifying multiple suppliers, in 2023, we single-sourced some of our material components. To the extent that any of these single-sourced suppliers experience disruptions in deliveries due to production, quality, or other issues, we are potentially subject to similar production delays or unfavorable cost increases. In 2024, we started investing resources to secure additional suppliers for some of our key raw materials, but these efforts only mitigate, but do not eliminate, our supply chain risk.

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 or maintain regulatory approval for or commercialize our products and our business could be substantially harmed.

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

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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 or maintain regulatory approval for, or successfully commercialize, our products. If any such event were to occur, our financial results and the commercial prospects for our products 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 resources. 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 challenges or delays will not have a material adverse impact on our business, financial condition, or results of operations.

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

We cannot guarantee that any pre-clinical testing or clinical trials will be conducted as planned or on schedule, or completed 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 products for additional applications or indications 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 a clinical study 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 Good Clinical Practice ("GCPs"), or applicable regulatory guidelines in other countries;
- delays in the testing, validation, manufacturing, and delivery to the clinical sites of the product candidates;
- delays caused by clinical trial sites not completing a trial;
- failure to demonstrate adequate effectiveness;
- occurrence of serious adverse events in clinical trials associated with the product candidates that are viewed to outweigh its potential benefits;
- changes in regulatory requirements or guidance that require amending or submitting new clinical protocols;

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- adverse events, safety issues, product recalls, manufacturing or supply chain interruptions, or poor clinical outcomes where RECELL 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 products for additional applications or indications, all of which could have a material adverse effect on our business, financial condition, or results of operations.

Product development is an expensive, uncertain and lengthy process.

We have significant product development projects ongoing that, if successful, are intended to continue to improve the consistency and ease for the use of RECELL across indications and wound sizes, as well as expand our portfolio of complementary products. The costs, timeline, and ultimate success of these product development programs are subject to risk and uncertainty. If we are not able to develop and obtain regulatory approval for our new products in a timely fashion and within budget, our business prospects and financial condition may suffer.

Development and commercialization of our products require successful completion of the regulatory approval process and may suffer delays or fail.

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. We may require additional clinical data or approvals from regulatory authorities within the jurisdictions in which we operate to market improved versions of RECELL for the same or additional indications, and from any other jurisdictions in which we seek to market the product. This process can be time-consuming and complicated, and may 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 pre-clinical 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 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 approval processes will take. 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, which may impact our ability to 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, distribution, and record-keeping 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 (including 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.

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We are highly dependent on our regulatory approval 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, including subsequent PMA supplement approvals for acute wound indications. This PMA allows us to sell RECELL and RECELL GO in the United States, our current primary market. 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.

Obtaining and maintaining regulatory approval for a product in one jurisdiction does not mean that we will be successful in obtaining regulatory approval for that product 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; further, 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 though the FDA has granted marketing approval for use of RECELL in the treatment of full-thickness skin defects and vitiligo, comparable regulatory authorities in foreign jurisdictions must also approve the manufacturing, marketing, and promotion of the product in those jurisdictions 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 the requirement in such jurisdictions of additional clinical studies due to clinical trials conducted in one jurisdiction not being accepted by regulatory authorities in other jurisdictions. In addition, in certain jurisdictions outside the United States, the reimbursement and/or intended price of a medical device must be approved before it can be approved for sale in that jurisdiction.

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, subject us to risks. In addition, process deviations or unanticipated effects of approved process changes may result in production runs of our products 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 consume management resources and 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.

We 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 managing manufacturing costs, while continuing to adhere to product quality standards and comply with regulatory quality system requirements. We have a manufacturing facility located in Ventura, California where we produce, package, and warehouse RECELL and PermeaDerm. We also rely on global third-party manufacturers for production of some of the components used in RECELL. If our facility or the facilities of our third-party contract manufacturers suffer damage or experience 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 levels 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;
- inability to increase production capacity or volumes to meet demand.

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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, or results of operations. Accordingly, we are continually identifying additional third-party suppliers who could serve as replacement suppliers should the need arise.

Compliance with environmental, health and safety requirements is costly and, if not achieved, could result in material financial fines, costly litigation, and a material adverse impact on the business.

Our manufacturing and other processes may involve the use of hazardous materials subject to federal, state, 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 or future environmental laws or regulations could result in significant fines and expenses which could have an adverse impact on our financial condition or business prospects.

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

If the FDA determines that our marketing activities constitute off-label promotion, the FDA could impose civil fines or even criminal penalties on the Company and our executives, withdraw or recall our approved product from the market, as well as limit our products from such off-label usage.

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, including financial loss, adverse impact to our operations, and reputational damage.

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, such as sensitive intellectual property, on our IT systems. Our business operations are dependent upon the secure maintenance of these IT systems and this information. Despite the implementation of security measures, our IT systems and those of our vendors and customers are vulnerable to attack and damage from computer viruses, malware, denial of service attacks, unauthorized access, or other harm, including from threat actors seeking to cause disruption to our business. We face risks related to the disruption of the confidentiality, integrity, and availability of our IT systems and the information that we maintain—or engage a third-party to maintain on our behalf—including unauthorized access, acquisition, use, disclosure, or modification of such information. Cyberattacks are increasing in their frequency, sophistication, and intensity and have become increasingly difficult to detect. Cyberattacks could include the deployment of harmful malware, ransomware, denial-of-service attacks, social engineering, and other means to affect service reliability and threaten the confidentiality, integrity, and availability of information. Beyond external criminal activity, systems that access or control access to our services and databases may be compromised as a result of human error, fraud or malice on the part of employees or third parties, or may result from accidental technological failure. A material cyberattack or security incident could cause interruptions in our operations and could also damage our reputation, financial condition, and results of operations.

We receive, collect, process, use, and store a large amount of information from our customers and our own employees, including personal information and other sensitive and confidential information. If threat actors are able to circumvent or breach our security systems, they could steal any information located therein or cause serious and potentially long-lasting disruption to our operations. Security breaches or attempts thereof could also damage our reputation and expose us to a risk of litigation, sanctions, and/or monetary loss. We also face risks associated with security breaches affecting third parties that conduct business with us or our customers and others who interact with our data. While we maintain insurance that covers certain security incidents, we may not carry appropriate insurance or maintain sufficient coverage to compensate for damage from all events and related potential liability.

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We are subject to diverse laws and regulations relating to data privacy and security, such as federal and state data protection regulations, including the California Consumer Privacy Act, as amended, and European data privacy laws, including the General Data Protection Regulation. Complying with these numerous and complex regulations is expensive and difficult, and failure to comply with these regulations could result in regulatory scrutiny, civil liability and related fines, or damage to our reputation. In addition, any security breach or attempt thereof could result in liability for stolen assets or information, additional costs associated with repairing any system damage, and implementation of measures to prevent future breaches, including organizational changes, deployment of additional personnel and protection technologies, increased employee training, and engagement of third-party experts and consultants. The costs incurred to remediate any security incident could be substantial. We cannot guarantee that any costs and liabilities incurred in relation to an attack or incident will be covered by our existing insurance policies or that applicable insurance will be available to us in the future on economically reasonable terms or at all.

In addition, we cannot assure that any of our third-party service providers with access to our sensitive or confidential information, or to that of our customers and/or employees, will not experience security breaches or attempts thereof, which could have a corresponding effect on our business.

Tariffs and Changes in Trade Policy Could Adversely Affect Our Business, Financial Condition, and Results of Operations

We currently derive less than 5% of our net sales from international operations and a *de minimus* portion of our raw materials and components are sourced internationally. The sale and shipment of our products across international borders, as well as the purchase of materials and components from international sources, subject us to U.S. and foreign governmental trade regulations, including those related to duties, and tariffs. Recent shifts in U.S. trade policy and the imposition of tariffs on imports from certain countries, as well as retaliatory tariffs imposed by those countries on U.S. goods, may negatively impact our business, results of operations, and financial condition. We cannot predict the future direction of trade policy or the impact of any future trade restrictions or retaliatory measures that may further impact our business.

Risks Relating to our Industry and Technology

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 products, 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 current products or any future products we develop. Many of our current or future competitors may have significantly greater financial resources and experience in research and development, manufacturing, pre-clinical testing, conducting clinical trials, obtaining regulatory approvals, and marketing approved products than we may have. Mergers and acquisitions in the medical device, pharmaceutical, and biotechnology industries, or specifically in the 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 necessary for, or complementary to, our products.

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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 technology fields in which we operate continues to evolve. The amount of protection to maintain over our proprietary rights, therefore, is uncertain. Further, the validity and enforceability of our patent portfolio cannot be predicted with certainty. We 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 may be challenged, invalidated, held unenforceable or circumvented. Our patents have expected expiration dates ranging from 2032 to 2033, while our pending patent applications, if granted, would have expiration dates ranging from 2034 to 2043. Furthermore, our issued patents may not be broad enough to prevent competitors from producing products similar to ours, and we have products that we continue to commercialize that were covered by patents that are now expired.

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.

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

Filing, prosecuting and enforcing 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 of our 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 could make it difficult for us to stop third parties from infringing our patents. Proceedings to enforce our patent rights in the U.S. or foreign jurisdictions could result in substantial cost and divert the efforts and attention of key personnel from other aspects of our business. If we fail to obtain adequate patent protection for our proprietary technology, our ability to be commercially competitive internationally will be materially impaired.

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 their patents. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future, regardless of their merit. If such claims were made, we could incur substantial costs coupled with diversion of key technical personnel in defending against these claims and/or challenging the validity of any asserted patent before a court or administrative agency. Even if we believe such claims are without merit, parties making claims against us may be able to obtain injunctive or other equitable relief that 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 adverse effect on our financial condition and business prospects.

Moreover, given the vast number of patents in our field of technology, we may infringe existing patents, and we may infringe patents that may be granted in the future. While we may decide to initiate proceedings to challenge the validity of these or other patents in the future, we may not be successful, and courts or patent offices in the United States and abroad could uphold the validity of any such patent. Furthermore, because patent applications can take many years to issue and may be confidential for 18 months or more after filing, and because pending patent claims can be revised before issuance, there may be applications now pending that may later result in issued patents that may be infringed by the manufacture, use or sale of our products. We may fail to identify relevant third-party patents or patent applications, regardless of when filed, or we may incorrectly conclude that a third-party patent is invalid or not infringed by our products or activities.

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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 intellectual property claimed in our patents, that individual or company has the right to ask a patent office or a court to rule that these patents are invalid and/or should not be enforced against that third party. These lawsuits or proceedings 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 patent office or a court will decide that our 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. Furthermore, even if our patents are found to be valid and infringed, a court may refuse to grant injunctive relief against the infringer and instead grant us monetary damages and/or ongoing royalties. Such monetary compensation may be insufficient to adequately offset the damage to our business caused by the infringer's competition in the market.

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 RECELL 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, regardless of the claim's merit or whether liability for such claims is covered by insurance. A product liability claim against us or the withdrawal of a product from the market could have a material adverse effect on our financial condition or business operations. 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.

The continued successful commercialization of our products for FDA approved and pending indications, will depend in part on the extent to which government authorities and healthcare insurers establish adequate reimbursement levels and pricing policies.

Continued sales of our products depend in part on the availability of coverage and reimbursement from third-party payers such as government insurance programs, including Medicare and Medicaid, private health insurers, health maintenance organizations and other healthcare-related organizations, who are increasingly challenging the price of medical device products and services.

Both the federal and state governments in the United States continue to propose and pass new legislation, regulations, and policies affecting coverage and reimbursement rates, which are designed to contain or reduce the cost of health care. Continued federal and state proposals and healthcare reforms are likely, which could limit the prices that can be charged for our products and may further limit our commercial opportunity.

While many of these initiatives are focused on pharmaceuticals, these measures may impact our products, or analogous measures may be introduced that target our products. For example, the Inflation Reduction Act, or the IRA, was enacted in 2022. Among other things, the IRA replaces the Part D coverage gap discount program with a new manufacturer discounting program (which began in 2025). The IRA permits the Secretary of HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. HHS has and will continue to issue and update guidance as these programs are implemented, although the Medicare drug price negotiation program is currently subject to legal challenges. The impact of the IRA on our business and the medical device industry cannot yet be fully determined, but is likely to be significant.

The One Big Beautiful Bill Act, which was enacted in July 2025, imposes significant reductions in the funding of the Medicaid program. Such reductions are expected to decrease the number of persons enrolled in Medicaid and reduce the services covered by Medicaid, which could adversely affect our sales of our products.

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There also may be future changes unrelated to the IRA that result in reductions in potential coverage and reimbursement levels for our products, and we cannot predict the scope of any future changes or the impact that those changes would have on our operations. For example, the Trump administration is aggressively pursuing a pharmaceutical pricing policy that would tie prices in the U.S. to prices in other countries. Adoption of such a mechanism in one part of the healthcare sector lowers the barrier to imposing similar approaches in other sectors of our industry. Cost control initiatives may decrease coverage and payment levels and, in turn, impact the prices that we will be able to charge and/or the volume of our sales. We are unable to predict all changes to the coverage or reimbursement methodologies that will be applied by private or government payers. Any denial of private or government payer coverage, as well as other federal, state, and foreign healthcare reform measures that have been and may be adopted in the future, or inadequate reimbursement, could reduce our revenue and business prospects.

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

We cannot guarantee that we will receive favorable pricing or 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 and the individual jurisdictions within it, 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. Further, such pricing limitations may hinder our ability to recoup our total investment in our current products or other future products. If we are unable to promptly obtain coverage and profitable payment rates from hospital budgets, as well as from either government-funded or private purchasers, for our current products 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 Severity Diagnosis-Related Groups (“MS-DRGs”), for hospitals with inpatient services.
- Specific International Classification of Disease, 10th revision, Procedure Classification System (“ICD-10-PCS”) code series describing our “cell suspension technique” for the use of RECELL.
- CPT codes that describe “skin cell suspension autograft to support physician reimbursement by professional healthcare services and for facility services at ambulatory surgical centers (“ASCs”), and Ambulatory Payment Classifications (“APCs”) for hospital reimbursement for outpatient department services.

There can be no guarantee that the above reimbursement codes will not be withdrawn, reduced, consolidated or otherwise altered in a manner which is not supportive of ongoing commercial use of RECELL.

Our current and future relationships with regulators, HCPs, third-party payors, customers, and consultants will be subject to applicable healthcare laws and regulations, as well as to other laws and regulations addressing fraud and abuse, and failure to comply with such laws could expose us to penalties.

Our business operations, as well as our current and future relationships with regulators, healthcare professionals, third-party payors, customers, and consultants may expose us to healthcare laws and regulations, as well as to other laws and regulations addressing fraud and abuse. These laws regulate our business as well as the 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:

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- Anti-Kickback Statute: the AKS 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 FCA.
- 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.
- Data/Privacy Protection: a number of federal, state and foreign laws, regulations, guidance and standards that impose requirements regarding the protection of consumer information that are applicable to or affect our operations.
- Physician Payment Sunshine Act: the federal transparency requirements regarding payments in the healthcare industry, sometimes referred to as the "Sunshine Act," require certain manufacturers of drugs, devices, biologics, and medical supplies for which payment is available under federal government healthcare programs, to report annually to CMS information related to payments or other "transfers of value" made to HCPs and nurse practitioners.
- Anti-Corruption Laws: anti-corruption laws in the U.S. and in other countries where we do business 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, interpreted or changed.
- State and Foreign Laws: Each of the laws and categories of laws identified above may have analogues in state law or the laws of other jurisdictions in which we conduct business. These analogous laws may contain additional or different compliance requirements than listed above.

There is no assurance that we will be completely effective in ensuring our compliance with all applicable laws. If we are not in compliance with these laws, we may be subject to civil and/or criminal and 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 potential violations of these laws by respective government bodies could also have an adverse impact on our reputation, as well as on our business, financial condition, and results of operations.

Defending against any allegations that we have violated any such laws can be costly, time-consuming and may require significant financial and personnel resources. Therefore, even if we are successful in defending against any such allegations that may be brought against us, our financial condition and operations, as well as business prospects, may be impaired.

Macroeconomic and Social Risks

Adverse changes in general economic conditions or uncertainty about future economic conditions, could adversely affect us.

We are subject to the risks arising from adverse changes in general economic market conditions. Uncertainty about future economic conditions could negatively affect our current and prospective customers causing them to delay the purchase of our products. Customer and consumer demand for our products may be impacted by weak economic conditions, recession, equity market volatility or other negative economic factors in the U.S. or other nations. The severity and length of time that a downturn in economic and financial market conditions may persist, as well as the timing, strength, and sustainability of any recovery from such downturn, are unknown and beyond our control. Poor economic conditions could harm our business, financial condition, operating results, and cash flows.

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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, to fund our operations. 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 (the "Board of Directors" or the "Board" and each director, a "Director") and will depend on our results of operations, financial condition, 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 Australian Securities Exchange ("ASX") and of Nasdaq, we will be unable to access equity capital without stockholder 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 stockholder 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 outstanding common shares at the commencement of that 12-month period unless stockholder 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 stockholder 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 stockholder 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 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 sectors have often experienced fluctuations that have been unrelated or disproportionate to their operating results. 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.

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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 patients experiencing adverse events;
- publication of research reports by 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;
- issuance by us of debt or equity securities;
- litigation involving our company, including stockholder 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, executive management team 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;
- natural disasters and other calamities;
- changes in market conditions for medical device 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.

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 analysts publish about us and our business and industry. If one or more 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 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.

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The requirements of being a public company in the United States and listed on the ASX 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. 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 can 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 is more visible, which may result in threatened or actual litigation, including by competitors, stockholders or third parties. If such claims are successful, 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 a "smaller reporting company", under federal securities laws, and the reduced disclosure requirements applicable to such companies may make our common stock less attractive to investors.

We will remain a smaller reporting company so long as (i) our public float remains less than $250 million as of the last business day of our most recently completed second fiscal quarter or (ii) our annual revenues are less than $100 million during our most recently completed fiscal year; and we have no public float; or a public float of less than $700 million.

For as long as we continue to be a smaller reporting company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies, including (1) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, and (2) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. In addition, we are only required to provide two years of audited financial statements in our SEC reports. We will remain a smaller reporting company so long as (i) our public float remains less than $250 million as of the last business day of our most recently completed second fiscal quarter or (ii) our annual revenues are less than $100 million during our most recently completed fiscal year; and we have no public float; or a public float of less than $700 million. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may decline or be more volatile.

General Risk Factors

The Company's cash, cash equivalents and marketable securities could be adversely affected by bank failures or other events affecting financial institutions and could adversely affect our liquidity and financial performance.

We regularly maintain domestic cash deposits in Federal Deposit Insurance Corporation ("FDIC") insured banks, which exceed the FDIC insurance limits. We also maintain cash deposits in foreign banks where we operate, some of which are not insured or are only partially insured by the FDIC or other similar agencies. The failure or rumored failure of a bank, or events involving limited liquidity, defaults, non-performance, bankruptcy, receivership or other adverse developments in the financial or credit markets impacting financial institutions, may lead to disruptions in access to our bank deposits. These disruptions may adversely impact our liquidity and financial performance. There can be no assurance that our deposits in excess of the FDIC or other comparable insurance limits will be backstopped by the U.S. or applicable foreign government, or that any bank or financial institution with which we do business will be able to obtain needed liquidity from other banks, government institutions or by acquisition in the event of a failure or liquidity crisis. As such, those funds in bank deposit accounts in excess of the standard FDIC insurance limits are uninsured and subject to the risk of bank failure.

Currently, we have full access to all funds in deposit accounts or other money management arrangements. The failure of any bank in which we deposit our funds could reduce the amount of cash that we have available for our operations or delay our ability to access such funds. In the event of such failure, we may experience delays or other issues in meeting our financial obligations, our ability to access our cash and cash equivalents may be threatened and could have a material adverse effect on our business and financial condition.

Future adverse developments with respect to specific financial institutions or the broader financial services industry may also lead to market-wide liquidity shortages.

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

Our future financial performance and ability to successfully commercialize our products 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;
- increasing the use of RECELL in the treatment of full-thickness skin defects;
- 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, legal, 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 onboard and train new personnel could prevent us from successfully growing our company.

Item 1B. UNRESOLVED STAFF COMMENTS

None

Item 1C. CYBERSECURITY

Risk Management and Strategy

AVITA Medical has implemented an Information Security Management System (**"**ISMS**"**). The Company's ISMS is a continuous process designed to analyze the potential risks, vulnerabilities, the likeliness of occurrence and the related consequences of cybersecurity threats. The process is based on establishing the context, assessing the risks, and treating the risks. The key concept of the ISMS is to consistently maintain and improve confidentiality, integrity, and availability of information assets that should be protected by the organization on behalf of itself and its clients, and third parties. Once a risk, threat or vulnerability is identified, the Company establishes a risk treatment plan to take corrective action to prevent risks that can be avoided and minimize the ones that cannot. We engage an independent third-party cybersecurity services and consulting firm to continuously review our information security and provide technical oversight. We also conduct internal phishing campaigns and perform an independent penetration test on an annual basis. In addition, we conduct regular security awareness training and testing of our employees. The Company has not had any material cybersecurity incidents.

All related ISMS activities have been structured into a framework consisting of:

1. Context establishment - Established in accordance with the requirements of International Organization for Standardization 27001 and 27002 ("ISO 27001" and "ISO 27002"). The ISO 27001, Information security management systems, provides a framework and guidelines for establishing, implementing and managing an ISMS and ISO 27002, Information security controls, provides a reference set of generic information security controls including implementation guidance.
2. Risk Assessment - Relates to an evaluation and identification of risks, threats and vulnerabilities that exist or could exist, identifies the likelihood of occurrence and potential consequences. As part of the risk assessment management prioritizes the assessed risks from low to high based on likelihood and level of impact.
3. Risk Treatment – will detail the remediation process for risks, vulnerabilities and threats identified to reduce the risk to an acceptable level.
4. Risk Acceptance- The Company's risk assessment is evaluated from a Low (1) to a High (3) on the Impact the threat would have on the Company and its operations and the likelihood of occurrence. Threat ratings created from the Impact and probability calculations will result with a value from 1- 9.
    a. Low (1 – 2.99) = Risk level acceptable and no further action deemed necessary
    b. Medium (2 – 5.99) and High (6 - 9) – implement risk management to reduce the risk to an acceptable level

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5. Risk Communications- Results of the risk assessment are communicated to appropriate levels of management. Report includes the identified risk and vulnerability summaries. Updates will include treatment plans and status updates.
6. Risk Monitoring and Review - Continuously performed to evaluate any changes or the need for changes. The Company uses the Ontrack software solution ("Ontrack") to monitor and track all aspects of risk assessment. Ontrack also serves as tool to track any cybersecurity incidents and remediation tasks.

Disclosure of Management's Responsibility

The Company's Chief Financial Officer is responsible for overseeing the Cybersecurity Risk Management Program and leading the Company's efforts to mitigate technology risks in partnership with various business leaders in the organization. For qualifications of the CFO refer to Item 10 of the Form 10-K. We have protocols, policies and tools in place to mitigate cybersecurity risk. These systems also provide the administrative, technical and physical safeguards to ensure the security, confidentiality, integrity and availability of confidential information and personal information from unauthorized access, use, disclosure, alteration, destruction or theft. In addition, we engage an independent third party annually to assess our IT general controls and IT security. Special focus is given to maintaining and improving our alignment with ISO 27001. Additionally, we have a cybersecurity incident response plan in place that provides a documented framework for handling high and low severity security incidents and facilitates coordination across multiple parts of the business. Finally, cybersecurity is integrated into the Company's training as all employees are required to take monthly security awareness training.

Disclosure of the Board's Responsibility

While management is primarily responsible for assessing and managing cybersecurity risks on a day-to-day basis, the Company's Board of Directors oversees management's efforts to assess and manage such risks. The Board of Directors (through the Audit Committee) monitors the cybersecurity risk assessment and response process. The Audit Committee is briefed by our Chief Financial Officer on our cybersecurity ISMS program and the overall cybersecurity risk environment on at least an annual basis. The briefing may include discussions on topics such as: information security and technology risks, information risk management strategies, cybersecurity risk assessment processes and updates, and updates on cybersecurity and data protection training initiatives for employees.

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 a lease agreement that expires on October 31, 2026. Our production plant in Ventura, California is a 27,840 square foot facility that we lease through September 30, 2030. We also lease a 3,360 square foot storage facility adjacent to our existing production plant in Ventura under a lease agreement that expires on September 30, 2030. The Company also has an administrative office lease in Irvine, California of approximately 10,700 square feet that is currently leased through the end of July 2028. 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 currently not aware of any material pending legal proceedings to which we are a party or of which any of our property is the subject, nor are we aware of any such proceedings that are contemplated by any governmental authority. From time to time, as an operating business, we are involved in routine disputes (both formal and informal) with customers, partners and employees.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

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PART II

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

Market Information

The Company's common stock is quoted on the Nasdaq Capital Market under the ticker symbol "RCEL" and the Company's CDIs are 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 January 26, 2026, the Company had approximately 3 unique stockholders of record of our common stock (which includes 18,051 holders of record of the Company's CDIs, with each representing 1/5 of a share of common stock, and CHESS Depositary Nominees Pty Ltd, holds the legal title to all of the outstanding common stock underlying the CDIs of the Company).

Dividends

We have never paid cash dividends to our stockholders or to the holders of ordinary shares in the former parent company, AVITA Australia. 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 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 may deem relevant.

Item 6. [Reserved]

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

Objective

The purpose of this Management's Discussion and Analysis is to better allow our investors to understand and view our company from management's perspective. We are providing an overview of our business and strategy including a discussion of our financial condition and results of operations. The following discussion and analysis of our financial condition and results of operations for the years-ended December 31, 2025 and 2024, should be read in conjunction with our consolidated financial statements and related notes included in this Annual Report.

Overview

AVITA Medical, Inc. ("we", "our", "us") is a leading therapeutic acute wound care company delivering transformative solutions. Our solutions improve the healing outcomes for patients with traumatic injuries and surgical repairs, addressing critical healing needs that arise from unpredictable and life-changing events. At the forefront of our portfolio is RECELL® ("RECELL"), approved by the U.S. Food & Drug Administration (the "FDA") for the treatment of thermal burn wounds and full-thickness skin defects. RECELL harnesses the healing properties of a patient's own skin to create an autologous skin cell suspension, Spray-On Skin™ Cells, offering an innovative solution for improved clinical outcomes at the point of care. In addition, in the United States, we hold the rights to manufacture and exclusively market, sell, and distribute PermeaDerm®, a biosynthetic wound matrix, under the terms of exclusive multi-year distribution and contract manufacturing agreements with Stedical Scientific, Inc. ("Stedical"). We also entered into an exclusive multi-year development and distribution agreement with Collagen Matrix, Inc. dba Regenity Biosciences ("Regenity"). Regenity manufactures and supplies Cohealyx™, an AVITA Medical-branded, FDA-cleared, collagen-based dermal matrix. Under the agreement with Regenity, we hold the exclusive rights to market, sell, and distribute Cohealyx in the U.S., with the potential to expand such commercialization into the European Union, Australia, and Japan.

The single-use RECELL Autologous Cell Harvesting Device ("RECELL Ease-of-Use" or "RECELL EOU") is approved by the FDA for the treatment of thermal burn wounds and full-thickness skin defects. Our next-generation device, RECELL GO® Autologous Cell Harvesting Device ("RECELL GO"), is FDA-approved to treat thermal burn wounds and full-thickness skin defects. RECELL GO introduces enhanced features that improve consistency and standardization across clinical settings. It consists of two components: the RECELL GO Processing Device (the "RPD") and the RECELL GO Preparation Kit (the "RPK"). The RPD is a multi-use, AC-powered device that controls the RPK. The RPK contains a single-use cartridge and the RECELL Enzyme™. The RPD regulates the pressure applied to disaggregate the cells and precisely controls the incubation time of the RECELL Enzyme to optimize cell yield and promote cell viability. RECELL GO mini™ Autologous Cell Harvesting Device ("RECELL GO mini"), which was approved by the FDA in December 2024, is a line extension of RECELL GO, designed specifically to treat smaller wounds up to 480 cm^2. It utilizes the same RPD but features a RECELL GO mini Preparation Kit, which includes a single-use RECELL GO mini cartridge optimized for smaller skin samples. These modifications are intended to align with the needs of clinicians treating smaller wounds, and to support broader adoption of the RECELL GO platform in trauma centers.

We are executing a focused commercial strategy centered on approximately 200 U.S. burn and trauma centers that represent the highest value and procedural volume within the acute wound care market. These institutions are core to our commercialization efforts due to their high concentration of complex inpatient cases and consistent procedural throughput. By prioritizing burn and trauma centers, we are targeting the most critical segments of acute wound care to maximize clinical impact and drive adoption across our portfolio.

To further our mission of improving clinical outcomes and establishing new standards of acute wound care, we have outlined the following strategic objectives:

- Increasing market penetration in U.S. burn centers, positioning RECELL as the standard of care in burn management;
- Expanding adoption of RECELL for the treatment of traumatic and surgical wounds throughout the U.S.;
- Commercializing and expanding adoption of Cohealyx as a dermal matrix that supports wound bed preparation and accelerates readiness for grafting;
- Driving adoption of RECELL GO mini in burn and trauma centers treating smaller wounds;
- Advancing post-market clinical studies for Cohealyx and PermeaDerm to generate additional clinical and health economic evidence supporting adoption;
- Expanding internationally through distributor-led commercialization upon receipt of regulatory approvals;

- Driving commercial revenue growth, improving operating leverage, generating positive cash flow, and achieving long-term operating profitability; and
- Pursuing additional business development opportunities complementary to our target acute wound care markets.

Business Environment and Current Trends

Changes in reimbursement rates and coverage policy by third party payors may place additional financial pressure on hospitals and the broader healthcare system. These changes could reduce demand for our products, particularly if healthcare providers face lower margins or additional administrative burdens. For example, in 2025 the Centers for Medicare & Medicaid Services ("CMS") designated pricing responsibility for the Current Procedural Terminology ("CPT") code used with RECELL to the seven regional Medicare Administrative Contractors ("MACs"). MAC delay in establishing and publishing reimbursement rates temporarily slowed clinician use of RECELL. As of January 2026, all seven MACs have established pricing, six of which have been published, restoring reimbursement clarity and supporting a return toward normalized utilization.

The macroeconomic environment may have unexpected adverse effects on businesses and healthcare institutions globally that may negatively impact our consolidated operating results. There remains significant uncertainty in the current macroeconomic environment due to factors including supply chain shortages, increased cost of healthcare, changes to inflation rates, a competitive labor market, tariffs, and other related global economic conditions and geopolitical conditions. If these conditions continue or worsen, they could adversely impact our future operating results.

Geopolitical conditions may also impact our operations. Although we do not have operations in Russia, Ukraine, the Middle East, or Asia, the continuation or threat of military conflicts in these regions or any escalation of conflicts beyond their current scope may further weaken the global economy resulting in additional inflationary pressures or supply chain constraints.

Recent Developments

On January 13, 2026, we closed a five-year credit facility providing up to $60 million in capital with a new lender and refinanced our existing debt, receiving total net proceeds of $6.0 million after repayment of our existing debt and certain fees. As part of the new credit facility, we established trailing twelve-month ("TTM") revenue covenants aligned with our current operating trajectory. The initial TTM revenue covenant is $68.5 million for the first quarter ending March 31, 2026, and $73 million for the full year 2026. For additional information, see *Liquidity and Capital Resources* below.

On January 5, 2026, the Board of Directors recognized the contributions of long-time Director (and former Chair of the Board) Lou Panaccio, whose last day of service was December 31, 2025. Following Mr. Panaccio's retirement, the Board was pleased to announce Joe Woody's appointment as a new Director pursuant to an offer letter to join the Board as of January 1, 2026.

On October 16, 2025, Mr. Vance, the Chair of the Board of Directors, assumed the position of Interim Chief Executive Officer (the "Interim CEO") upon the departure of Mr. Corbett from the Company and the Board.

On October 1, 2025, the CMS approved a New Technology Add-On Payment ("NTAP") for the RECELL® System, applicable to acute non-thermal full-thickness skin defects—such as traumatic injuries and surgical wounds—that require inpatient care and are treated with RECELL in combination with a meshed autograft. This NTAP designation allows Medicare Part A inpatient claims to receive up to $4,875 in additional reimbursement per case, beyond the standard MS-DRG base rate, provided CMS thresholds and coding criteria are met. The NTAP is effective from October 1, 2025, through September 30, 2026, and was granted under CMS's alternative pathway recognizing RECELL's FDA Breakthrough Device status, reinforcing its clinical value and supporting broader hospital adoption.

On September 14, 2025, we obtained the CE Mark for RECELL GO under the European Union Medical Device Regulation ("EU MDR"). This allows us to commercialize RECELL GO in Europe and other markets that recognize the CE Mark.

During 2025, we continued to expand the clinical and real-world evidence supporting RECELL and its acute wound care portfolio, with an emphasis on hospital utilization, wound closure outcomes and staged care pathways. Data presented at major burn and wound care conferences highlighted reproducible outcomes in clinical practice and increasing surgeon adoption across diverse patient populations.

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Key studies presented during 2025 included the following:

- **Real-world hospital length of stay ("LOS") analysis**: A registry-based analysis of 741 matched adult patients with deep partial-thickness burns from the American Burn Association's Burn Care Quality Platform compared RECELL with split-thickness skin grafting. The study demonstrated a statistically significant reduction in hospital length of stay of approximately 5.6 days, or 36%, for RECELL-treated patients, with consistent reductions across burn size subgroups up to 30% TBSA. RECELL-treated patients were more likely to be discharged directly home, supporting conclusions of improved recovery trajectories and hospital throughput.
- **Global systematic review of RECELL clinical evidence**: A systematic review of 99 peer-reviewed studies, including 27 comparative analyses and more than 8,000 patients, found that RECELL consistently reduced donor site burden, achieved healing times comparable to or faster than conventional grafting, and demonstrated favorable pain, aesthetic and health economic outcomes across wound types. The authors concluded that the consistency and breadth of evidence support RECELL as an emerging standard of care in wound closure across diverse populations and care settings.
- **Accelerated wound bed preparation with Cohealyx**: A June 2025 clinical publication evaluating Cohealyx reported rapid wound bed vascularization and readiness for autografting within approximately 5 to 10 days in a case series of complex full-thickness wounds, compared with the 2-to-4-week timelines typically reported for conventional dermal matrices. This data confirms previously published pre-clinical work. Investigators concluded that earlier readiness for definitive closure may reduce patient burden and complication risk.
- **Temporary wound coverage using PermeaDerm**: In a retrospective case series, PermeaDerm was used to temporize mixed-depth and full-thickness burn wounds in patients unable to undergo immediate autografting. Surgeons cited ease of application, reduced operative complexity relative to cadaveric allograft, and the advantage of maintaining direct visualization of the wound bed. The study concluded that PermeaDerm provided safe and effective temporary coverage prior to definitive wound closure.

Sources for the studies referenced above were provided in the relevant press releases we issued from June through November 2025.

In 2025, we initiated two post-market clinical trials, PermeaDerm I and Cohealyx I, to further evaluate the performance of our technologies in the treatment of acute and complex wounds. The PermeaDerm I study is designed to assess cost and clinical outcomes when used as a temporizing treatment, and enrollment in this study has surpassed 75%. The Cohealyx I study is intended to evaluate time to autografting compared to a literature derived performance goal, with enrollment completed we expect data in 2026.

In early 2026, presentations at the Boswick Burn & Wound Symposium extended this evidence to staged wound care strategies, including surgeon-reported cases integrating RECELL, PermeaDerm and Cohealyx on the same patient. Together, these data reflect growing use of AVITA Medical's integrated portfolio across wound coverage, preparation and definitive closure.

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Results of Operations

Year-Ended December 31, 2025, compared to the Year-Ended December 31, 2024

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

	Year Ended			
Statement of Operations Data:	**December 31, 2025**	**December 31, 2024**	**$ Change**	**% Change**
Sales revenue	$ 70,879	$ 63,893	6,986	11%
Lease revenue	731	358	373	104%
Total revenues	71,610	64,251	7,359	11%
Cost of sales	(12,794)	(9,094)	(3,700)	(41)%
Gross profit	58,816	55,157	3,659	7%
Operating expenses:				
Sales and marketing	(53,138)	(58,195)	5,057	9%
General and administrative	(27,373)	(33,195)	5,822	18%
Research and development	(20,839)	(20,360)	(479)	(2)%
Total operating expenses	(101,350)	(111,750)	10,400	9%
Operating loss	(42,534)	(56,593)	14,059	25%
Interest expense	(5,004)	(5,361)	357	7%
Other (expense) income, net	(1,038)	163	(1,201)	nm
Loss before income taxes	(48,576)	(61,791)	13,215	21%
Income tax expense	(11)	(54)	43	80%
Net loss	$ (48,587)	$ (61,845)	13,258	21%

*nm = not meaningful

Total revenues increased by 11%, or $7.4 million, to $71.6 million, compared to $64.3 million in the year-ended December 31, 2024. The growth in revenues was largely driven by deeper penetration within customer accounts, new accounts for the treatment of traumatic and surgical wounds and, to a lesser extent, new product launches.

Gross profit margin was 82.1% compared to 85.8% in the corresponding period in the prior year. Note that the gross margin for RECELL products only was 84.3% for the year. The decrease in the overall gross margin percentage from the prior year was primarily caused by product mix and higher inventory reserve. We share the average sales price for Cohealyx at 50% and for PermeaDerm at 60%. Although these arrangements are highly beneficial, they inevitably result in an overall decrease in gross margin percentage. Therefore, the product mix is expected to continue to reduce the overall gross margin percentage while increasing the gross profit, and given that costs associated with this revenue do not increase significantly, operating profit increases on a quarterly basis.

Total operating expenses decreased by 9% or $10.4 million to $101.4 million, compared with $111.8 million in the year-ended December 31, 2024.

Sales and marketing expenses decreased by 9%, or $5.1 million, to $53.1 million, compared to $58.2 million in the year-ended December 31, 2024. Lower costs in the current year were related to decreases in salaries and benefits of $1.9 million, stock-based compensation expense of $0.9 million, commissions expense of $0.7 million, professional fees of $0.7 million, recruiting expenses of $0.6 million, and travel expenses of $0.3 million. The decreases are primarily due to the reduction of our sales force as part of cost savings initiatives.

General and administrative expenses decreased by 18%, or $5.8 million, to $27.3 million, compared to $33.1 million in the year-ended December 31, 2024. Lower costs in the current year are due to decreases in stock-based compensation of $3.5 million and salaries and benefits of $2.3 million. The decreases in salaries and benefits and stock-based compensation are primarily attributable to decreased headcount.

Research and development expenses increased by 2%, or $0.5 million, to $20.8 million, compared to $20.3 million in the year-ended December 31, 2024. Higher costs in the current year are due to increases in salaries and benefits of $1.0 million and stock-based compensation expense of $0.7 million, offset by decreases in research and development expenses of $0.8 million and lower other research and development expenses of $0.4 million. The decrease in research and development expenses are due to the capitalization of project costs, specifically internally developed software.

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Other (expense) income, net decreased by $1.2 million to other expense, net of $1.0 million. In the current year, other expense, net consists of $3.3 million in debt issuance costs and $1.4 million related to the change in fair value of loan facility, offset by a non-cash gain of $2.2 million related to the change in fair value of warrants, $0.9 million in income related to our investments, and $0.4 million in other gains, net. In the prior period, other income, net of $0.2 million consisted of $2.7 million in income related to our investments and $0.3 million in other gains, net offset by non-cash charges of $2.5 million due to the change in fair value of the debt and $0.3 million due to the change in fair value of warrant liability.

Net loss decreased by $13.3 million, to $48.6 million, over the $61.8 million recognized in the year ended December 31, 2024. The decrease in net loss was driven by the higher gross profit and lower operating expenses offset by higher other expense, net as described above.

Year-Ended December 31, 2024, compared to the Year-Ended December 31, 2023

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

	Year Ended			
Statement of Operations Data:	**December 31, 2024**	**December 31, 2023**	**$ Change**	**% Change**
Sales revenue	$ 63,893	$ 50,143	13,750	27%
Lease revenue	358	-	358	100%
Total revenues	64,251	50,143	14,108	28%
Cost of sales	(9,094)	(7,780)	(1,314)	(17)%
Gross profit	55,157	42,363	12,794	30%
BARDA income	-	1,428	(1,428)	(100)%
Operating expenses:				
Sales and marketing	(58,195)	(37,291)	(20,904)	(56)%
General and administrative	(33,195)	(28,334)	(4,861)	(17)%
Research and development	(20,360)	(20,821)	461	2%
Total operating expenses	(111,750)	(86,446)	(25,304)	(29)%
Operating loss	(56,593)	(42,655)	(13,938)	(33)%
Interest expense	(5,361)	(1,143)	(4,218)	nm
Other income, net	163	8,483	(8,320)	(98)%
Loss before income taxes	(61,791)	(35,315)	(26,476)	(75)%
Income tax expense	(54)	(66)	12	18%
Net loss	$ (61,845)	$ (35,381)	(26,464)	(75)%

*nm = not meaningful

Total revenues increased by 28%, or $14.1 million, to $64.3 million, compared to $50.1 million in the year-ended December 31, 2023. Our commercial revenue was $64.0 million for the year-ended December 31, 2024, an increase of $14.2 million, or 29%, compared to $49.8 million in the year-ended December 31, 2023. The growth in commercial revenues was largely driven by deeper penetration within customer accounts and new accounts for full-thickness skin defects.

Gross profit margin was 85.8% compared to 84.5% in the corresponding period in the prior year. This increase was largely driven by increases in both revenues and the volume of production.

BARDA income decreased to zero, compared to $1.4 million in the corresponding period in the prior year due to the ending of reimbursable clinical trials. BARDA income in the prior year consisted of funding received from the Biomedical Advanced Research and Development Authority, under the Assistant Secretary for Preparedness and Response, within the U.S. Department of Health and Human Services, under ongoing USG Contract No. HHSO100201500028C.

Total operating expenses increased by 29% or $25.3 million to $111.8 million, compared with $86.4 million in the year-ended December 31, 2023.

Sales and marketing expenses increased by 56%, or $20.9 million, to $58.2 million, compared to $37.3 million in the year-ended December 31, 2023. Higher costs in the current year were related to increases in salaries and benefits and personnel expenses of approximately $8.7 million, commissions expense of $7.4 million, stock-based compensation expense of $1.8 million, $1.2 million in professional fees, $0.6 million in other selling expenses, $0.6 million in travel expenses, and $0.2 million in rent expense, plus $0.4 million in all other expenses, net. The increase in salaries and benefits, personnel-related expenses, stock-based compensation, travel expenses, and other selling expenses are due to the expansion of the sales force to support our growing commercial capabilities. Higher commissions were directly associated with the increase in revenues. The increase in professional fees are primarily due to consulting expenses related to our foreign distribution network. The increase in rent is due to increased office space to accommodate our growing operations.

General and administrative expenses increased by 17%, or $4.9 million, to $33.1 million, compared to $28.3 million in the year-ended December 31, 2023. The increase was attributable to increases in salaries and benefits and personnel expenses of $2.9 million, stock-based compensation of $2.4 million, and rent expense of $0.5 million, partially offset by lower deferred compensation expenses of $0.4 million, lower insurance expense of $0.3 million plus lower other corporate expenses, net of $0.3 million. The increase in salaries and benefits and stock-based compensation are primarily attributable to headcount growth to support the expansion of our business. The decrease in the deferred compensation expense is driven by a lower stock price used to calculate the deferred compensation liability for the deferred restricted stock awards.

Research and development expenses decreased by 2%, or $0.5 million, to $20.3 million, compared to $20.8 million in the year-ended December 31, 2023. The decrease in research and development expenses is primarily due to lower professional fees and development expenses of approximately $4.0 million related to RECELL GO and full-thickness skin defects plus lower other development expenses, net of $0.3 million, partially offset by an increase in salaries and benefits of $2.8 million, an increase in stock-based compensation of $0.7 million, and an increase of $0.3 million in travel expenses, primarily due to the increase in headcount resulting from the deployment of Medical Science Liaisons.

Interest expense increased approximately $4.2 million in comparison to the prior year due to the interest expense related to long-term debt for the full year, for an aggregate principal amount owed of $40 million.

Other income, net decreased by $8.3 million to $0.2 million. In the current year, other income, net consisted of $2.7 million in income related to our investments and $0.3 million in other gains, net offset by non-cash charges of $2.5 million due to the change in fair value of the debt and $0.3 million due to the change in fair value of warrant liability. In the prior period, income consisted of $3.1 million in income from our investment activities, dissolution of certain foreign subsidiaries that resulted in a $9.4 million gain, plus other gains, net of $0.3 million, partially offset by a loss on debt issuance of $1.2 million, debt issuance costs of $0.8 million and the change of fair value for our debt of $1.6 million and change in fair value of warrants for $0.7 million.

Net loss increased by $26.5 million, to $61.8 million, over the $35.4 million recognized in the year ended December 31, 2023. The increase in net loss was driven by the higher operating expenses and lower other income, net, partially offset by higher gross profit as described above.

Liquidity and Capital Resources

Overview

Our Consolidated Financial Statements have been prepared on the basis we will continue as a going concern for the next 12 months. We had approximately $10.2 million in cash and cash equivalents and $7.9 million in marketable securities as of December 31, 2025. We have funded our research and development activities, and more recently our substantial investment in sales and marketing activities, through the sale of our products, the issuance of equity securities, and debt financing. If capital is not available to us when amounts are needed, we could be required to delay, scale back or abandon commercial and development programs and other operations, which could adversely impact our business, financial condition, and operating results.

Based on our liquidity position and current forecast of operating results and cash flows, management determined there is substantial doubt about our ability to continue as a going concern over the next twelve months following the date of issuance of these Consolidated Financial Statements due to our debt repayment obligations, historical negative cash flows, and recurring losses. As a result, we may require additional liquidity to continue our operations over the next twelve months.

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Subsequent to December 31, 2025, on January 13, 2026 (the "Closing Date"), we entered into a Credit Agreement and Guaranty (the "Perceptive Credit Agreement"), and Security Agreement (the "Security Agreement"), by and among us, as borrower, Avita Medical Americas, LLC, a wholly-owned subsidiary of the Company, as guarantor (the "Guarantor," taken together with the Company, the "Obligors") and Perceptive Credit Holdings V, LP as a lender and the administrative agent (the "Lender," and the "Administrative Agent," as applicable). The Perceptive Credit Agreement provides for a five-year senior secured credit facility in an aggregate principal amount of up to $60 million (the "Perceptive Loan Facility"), of which (i) $50 million was funded on the Closing Date (the " Perceptive Initial Commitment Amount") and (ii) $10 million will be made available, at our discretion by notice to the Administrative Agent on or before March 31, 2027, subject to satisfaction of a certain net revenue requirement (the "Additional Commitment Amount"). On the Closing Date, we closed on the Perceptive Initial Commitment Amount, less certain fees and expenses payable to or on behalf of the Lender. Simultaneously with the closing of the Perceptive Initial Commitment Amount, we repaid in full and terminated all of its obligations and commitments (the "Refinancing Transaction") under the Previous Credit Agreement (as defined below).

During the term of the Perceptive Loan Facility, interest payable in cash shall accrue on any outstanding amounts under the Loan Facility at a rate per annum equal to the greater of (x) the SOFR rate for such period and (y) 4.00% plus, in either case, 7.50%. Upon the occurrence and during the continuance of an event of default, any outstanding amount under the Perceptive Loan Facility will bear interest at a rate of 4.00% in excess of the otherwise applicable rate of interest.

Under the terms of the Perceptive Credit Agreement, and as set forth in a fee letter between us, and the Lender and the Administrative Agent (the "Fee Letter"), we will pay certain fees with respect to the Loan Facility, including (a) an exit fee equal to 5% of the aggregate principal amount borrowed by us under the Perceptive Credit Agreement in the event that we fail to secure shareholder approval of the issuance of the Warrant (as defined below) in accordance with the rules of the ASX (the "Warrant Shareholder Approval") on or prior to September 30, 2026, and (b) a prepayment premium ranging from 1% to 10% of the amount of the Loan Facility that is prepaid upon any voluntary or mandatory prepayment (including as a result of an acceleration), together with certain other fees and expenses of the Lender.

The Perceptive Credit Agreement contains certain customary events of default, including with respect to nonpayment of principal, interest, fees or other amounts; material inaccuracy of a representation or warranty; failure to perform or observe covenants; material defaults on other indebtedness; insolvency; loss of certain key permits, persons and contracts; material adverse effects; certain regulatory matters; and change of control. Additionally, the Company's failure to obtain the Warrant Shareholder Approval on or prior to November 30, 2026 shall constitute an event of default under the Perceptive Credit Agreement.

The Perceptive Credit Agreement contains a number of customary representations, warranties and covenants that, among other things, will limit or restrict the ability of the Company and its subsidiaries to (subject to certain qualifications and exceptions): create liens and encumbrances; incur additional indebtedness; merge, dissolve, liquidate or consolidate; make acquisitions, investments, advances or loans; dispose of or transfer assets; pay dividends or make other payments in respect of their capital stock; redeem or repurchase certain debt; engage in certain transactions with affiliates; and enter into certain restrictive agreements. Among such covenants, the Perceptive Credit Agreement includes a financial maintenance test that requires the Obligors to maintain a specified minimum net revenue for each trailing twelve-month period ending on the last day of a fiscal quarter occurring prior to the maturity date of the Loan Facility. In addition, the Perceptive Credit Agreement requires the Company to ensure that the Obligors maintain in the aggregate at least $5 million of unrestricted cash at all times.

Pursuant to the Security Agreement, all obligations under the Perceptive Credit Agreement is guaranteed by the Guarantor and secured by substantially all of our and the Guarantor's assets.

On August 12, 2025, we completed a private placement (the "Placement") on the ASX to institutional and professional investors to raise $14.8 million, or $13.8 million after deducting sales commissions and offering expenses, through the issuance of 17,201,886 CHESS Depositary Interests ("CDIs"), which is the equivalent of 3,440,377 shares of Common stock. Proceeds of the Placement will be used for working capital requirements and will provide additional strategic flexibility to support continued growth of our therapeutic acute wound portfolio.

In connection with the Refinancing Transaction, on January 13, 2026, we repaid all outstanding indebtedness under the Previous Credit Agreement and terminated all obligations and commitments thereunder. As a result, we and the guarantors under the Previous Credit Agreement have no further obligations under the Previous Credit Agreement or the related guarantees other than with respect to warrants previously issued under the Previous Credit Agreement, which remain outstanding.

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On September 30, 2025, we received a waiver related to the trailing 12-month revenue covenant for the third quarter of 2025. On November 5, 2025, we entered into a sixth amendment to the Previous Credit Agreement (the "Sixth Amendment"), which amended the trailing 12-month revenue covenant for the fourth quarter of 2025 to $70.0 million for the quarter ending December 31, 2025, and waived the event of default caused by the "going concern" qualification in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2025. The revenue covenants for all subsequent quarters remained in effect. In consideration for the Sixth Amendment, we agreed to add $500,000 to the original $40.0 million principal balance, with interest paid on this amount as of November 1, 2025 and during the term of the Previous Credit Agreement and payable along with the original $40.0 million principal balance, either at the maturity date or when and if earlier repaid.

On June 30, 2025, we received a waiver related to the trailing 12-month revenue covenant for the second quarter of 2025. On August 7, 2025, we entered into a fifth amendment to the Previous Credit Agreement (the "Fifth Amendment"), which further amended the trailing 12-month revenue covenants, and waived the event of default caused by the "going concern" qualification in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2025. In consideration of the Fifth Amendment, we issued 400,000 shares of our Common stock to the Lender.

On February 13, 2025, we entered into a fourth amendment to the Previous Credit Agreement (the "Fourth Amendment"), which amended the trailing 12-month revenue covenants. In consideration of the Fourth Amendment, we issued to the Lender warrants to purchase up to 145,180 shares of our common stock, at an exercise price of $0.01 per share, with a term of 10 years from the issuance date. On March 31, 2025, we received a waiver related to the trailing 12-month revenue covenant for the first quarter of 2025.

On October 18, 2023, we entered into a credit agreement (as amended and modified, the "Previous Credit Agreement"), by and between us, as borrower, and an affiliate of OrbiMed Advisors, LLC, as the lender and administrative agent. The Previous Credit Agreement provided for a five-year senior secured credit facility in an aggregate principal amount of up to $90.0 million, of which $40.0 million was borrowed, less certain fees and expenses. On November 7, 2024, we entered into the third amendment (the "Third Amendment") to the Previous Credit Agreement. Under the terms of the Third Amendment and subject to our payment of a consent fee to the Lender, we mutually agreed to (1) terminate two additional tranches of available debt in the aggregate amount of $50.0 million and (2) remove the trailing 12-month revenue covenant for the fourth quarter of 2024, which was set at $67.5 million. All revenue covenants for subsequent quarters remained in effect.

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

	Year Ended	
(in thousands)	December 31, 2025	December 31, 2024
Net cash used in operating activities	$ (31,195)	$ (48,939)
Net cash provided by investing activities	12,452	37,363
Net cash provided by financing activities	14,936	3,508
Net decrease in cash and cash equivalents	(3,807)	(8,068)
Cash and cash equivalents at beginning of the period	14,050	22,118
Cash and cash equivalents at end of the period	10,243	14,050

Net cash used in operating activities was $31.2 million and $48.9 million during the years-ended December 31, 2025 and 2024, respectively. The decrease in cash used by operating activities is primarily attributable to higher gross profit and lower operating costs.

Net cash provided by investing activities was $12.5 million and $37.4 million during the years-ended December 31, 2025 and 2024, respectively. The decrease in cash provided by investing activities is primarily attributable to lower cash inflows from maturities of marketable securities offset by lower cash outflows from purchases of marketable securities and a decrease in cash outflow for capital expenditures in the current year compared to the prior year. The decrease in capital expenditures in the current year is primarily related to the leasehold improvement in the Ventura production facility to enhance manufacturing output and materials related to our RECELL GO RPDs in the prior year.

Net cash provided by financing activities was $14.9 million and $3.5 million for the years-ended December 31, 2025 and 2024, respectively. The increase in cash provided by financing activities was due to the net proceeds received from the Placement offset by decreases in the proceeds from the exercises of stock options and purchases of stock under the ESPP in the current year.

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Capital Management and Material Cash Requirements

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

For the year-ended December 31, 2025, there were no dividends paid and we have no plans to commence the payment of dividends.

On December 19, 2024, Regenity received 510(k) clearance, as such, we accrued $2.0 million to be paid in January 2025 and recorded $3.0 million in Contingent liability and $5.0 million in Intangible assets, net in the Consolidated Balance Sheets. Under the terms of our amended exclusive development and distribution agreement with Regenity, we have a further obligation to make up to an additional $3.0 million payment on or before January 4, 2027 to guarantee development and manufacturing capacity (and related resources), contingent on positive results of certain clinical studies. With the exception of the milestone payments related to our exclusive development and distribution agreement with Regenity, we do not have any other purchase commitments or long-term contractual obligations, except for lease obligations as of December 31, 2025. Refer to Note 7 of our Consolidated Financial Statements for further details on our lease obligations.

In addition, we have no material off-balance sheet arrangements (as defined in the applicable rules and regulations established by 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. While we have no committed plans to issue further shares on the market, we will continue to assess market conditions.

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

We generate revenues primarily from:

- The sale of RECELL EOU, RPK and mini RPK (collectively, the “RPKs”), PermeaDerm and Cohealyx products to hospitals, other treatment centers, and distributors.
- Lease revenue for the RPD.

Our sale of the RECELL EOU, PermeaDerm, and Cohealyx products are accounted for under ASC 606, *Revenue from contracts with customers* (“ASC 606”). Revenue for the RECELL GO is disaggregated between two accounting standards: (1) ASC 606 for the RPKs and (2) ASC 842, *Leases* (“ASC 842”) for the RPD.

To determine revenue recognition for arrangements that are within the scope of Topic 606, *Revenue from contracts with customers*, ("ASC 606"), we perform 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 we will collect the consideration to which it is entitled for goods or services to be transferred. We then assess the goods or services promised within the contract to determine whether each promised good or service is a performance obligation. Performance obligations are promises in a contract to transfer a distinct good or service to the customer that (i) the customer can benefit from on its own or together with other readily available resources, and (ii) is separately identifiable from other promises in the contract.

We determine the transaction price based on the amount of consideration we expect to receive for providing the promised goods or services in the contract. Consideration may be fixed, variable, or a combination of both. At contract inception for arrangements that include variable consideration, we estimate the probability and extent of consideration we expect to receive under the contract utilizing either the most likely amount method or expected amount method, whichever best estimates the amount expected to be received. We then consider any constraints on the variable consideration and include in the transaction price variable consideration to the extent it is deemed probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

When accounting for a contract that contains multiple performance obligations, we must develop judgmental assumptions to determine the estimated stand-alone selling price ("SSP") for each performance obligation identified in the contract. We utilize the observable SSP when available, which represents the price charged for the promised product or service when sold separately. When the SSP for our products or services are not directly observable, we determine the SSP using relevant information available and apply suitable estimation methods including, but not limited to, the cost-plus margin approach. We then allocate the transaction price to each performance obligation based on the relative SSP and recognize as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) control is transferred to the customer and the performance obligation is satisfied.

Most of our contracts have a single performance obligation. As such, we recognize revenue when our customers obtain control of promised goods or services, in an amount that reflects the consideration which we expect to be entitled in exchange for those goods or services. Revenue is recognized net of volume discounts (variable consideration). For our contracts that have an original duration of one year or less, since contract inception and customer payment occur within the same period we do not consider the time value of money. Further, because of the short duration of these contracts, we have not disclosed the transaction price for the remaining performance obligations as of each reporting period or when we expect to recognize this revenue. We have further applied the practical expedient to exclude sales tax in the transaction price and expense contract acquisition costs such as commissions and shipping and handling expenses as incurred.

Revenue recognition for contracts that are within the scope of ASC 606 and ASC 842

We enter into contracts with customers where we receive consideration for the RPKs and do not receive additional consideration for the RPD. As a result, judgment and analysis are required to determine the appropriate accounting, including: (i) whether the arrangement contains an embedded lease, and if so, whether such embedded lease is a sales-type lease or an operating lease, (ii) the amount of the total consideration, as well as variable consideration, (iii) the identification of the distinct performance obligations contained within the arrangement, (iv) how the arrangement consideration should be allocated to each performance obligation when multiple performance obligations exist, including the determination of standalone selling price, and (v) when to recognize revenue on the performance obligations.

For these contracts we consider the guidance under ASC 842 to determine if furnishing the RPD to the customer during the period of use establishes an embedded lease. To determine if the contract contains a lease, we evaluate the customer's rights and ability to control the use of the underlying equipment throughout the contract term, including any equipment substitution rights retained by us. As the contract conveys the right to control the use of an identified asset for a period of time, the contract was determined to contain a lease. We then evaluated the lease classification based on the below:

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- Pursuant to ASC 842-30, we will classify a lease as a sales-type lease if: (i) the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, (ii) the lease grants the lessee an option to purchase the underlying asset that the lessee is reasonably certain to exercise, (iii) the lease term is for the major part of the remaining economic life of the underlying asset, (iv) the present value of the sum of the lease payments and any residual value guaranteed by the lessee that is not already reflected in the lease payments equals or exceeds substantially all (90% or more) of the fair value of the underlying asset, or (v) the underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term.
- Pursuant to ASC 842-30, when none of the sales-type lease classification criteria are met, a lessor would classify the lease as a direct financing lease when both of the following criteria are met: (i) the present value of the sum of the lease payments and any residual value guaranteed by the lessee that is not already reflected in the lease payments and/or any other third party unrelated to the lessor equals or exceeds substantially all (90% or more) of the fair value of the underlying asset and (ii) it is probable that the lessor will collect the lease payments plus any amount necessary to satisfy a residual value guarantee.
- Pursuant to ASC 842-30, a lessor would classify a lease as an operating lease when none of the sales-type or direct financing lease classification criteria are met. Further, per ASC 842, a lessor is required to classify a lease with variable lease payments that do not depend on an index or rate as an operating lease at lease commencement if the lease would have been classified as a sales-type lease or a direct financing lease in accordance with the classification criteria of ASC 842 and the lessor would have otherwise recognized a loss at the lease commencement date.

In determining whether the lease components are related to a sales-type lease or an operating lease, we evaluate if the lease transfers ownership at the end of the lease term, the existence of purchase options, the lease term in relation to the economic life of the asset, if the lease payments exceed the fair value of the asset, and if the asset is of a specialized nature. We also evaluate if the lease results in a loss at the lease commencement date. As the lease term is for the major part of the economic life, the lease meets the classification criteria for sales-type lease. However, to determine if the contract results in a loss at the lease commencement date we evaluated the consideration in the contract. The consideration at lease commencement does not contain fixed payments, purchase options, penalty payments or residual value guarantees. The variable consideration is related to the sale of the RPKs. As the variable lease payments are not dependent on an index or rate, the variable consideration is excluded from consideration at contract inception resulting in a loss at lease commencement. As such, we classify the lease as an operating lease.

The contracts contain a lease component, the RPD, and a non-lease component, the RPKs. The lease component will be accounted for under ASC 842 and the non-lease component will be accounted for under ASC 606, as described above. In accordance with ASC 842, the consideration in the contract will be allocated to each separate lease component and non-lease component of the contract. The consideration is allocated to these lease and non-lease components based on the SSP (as described above for contracts within the scope of ASC 606). In accordance with ASC 842, variable lease payments will be recognized once the sale of the RPKs occurs and control has transferred to the customer. Consideration will be allocated to the RPD and RPKs based on the SSP. Consideration related to the RPD will be recognized as Lease revenue and consideration related to the RPKs will be recognized as Sales revenues in accordance with guidance in ASC 606, as described above, upon transfer of control of the RPKs, which generally occurs at the time the product is shipped or delivered depending on the customer's shipping terms.

Assets in our lease program are reported in Plant and equipment, net on our Consolidated Balance Sheets and are depreciated over the useful life of the RPD device's 200 uses, as indicated in the Instructions for Use that were approved by the FDA and expensed as Costs of goods sold in the Consolidated Statements of Operations. The RPD depreciation has a direct relationship to the number of RPKs sold. Based on customer usage, each purchase of RPKs results in a 1/200 depreciation to the RPD.

See Note 5 to our Consolidated Financial Statements included in this Annual Report for additional detail on revenue recognition.

Share-Based Compensation

We measure and recognize compensation expense on a graded-vesting method, for stock options and restricted stock units (“RSUs”), to employees, directors and consultants over the vesting period based on their grant date fair values. 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. We estimate the fair value of stock options on the date of grant using the Black-Scholes option pricing model. The fair value of RSUs is based on the closing stock price as determined per Nasdaq at the date of grant.

Determining the estimated fair value at the grant date requires judgment in determining the appropriate valuation model and assumptions, including, risk-free rate, volatility rate, annual dividend yield and the expected term.

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

- Expected volatility – determined using the historical volatility using daily intervals over the expected term.
- Expected dividends – None, based on the fact that we have never paid cash dividends and do not expect to pay any cash dividends in the foreseeable future.
- Expected term – the expected term of our 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 we have 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, we do not have sufficient history of exercises in the U.S. market given our re-domiciliation from Australia to the United States in 2020.
- 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 14 to our Consolidated Financial Statements included in this Annual Report for additional detail on share-based compensation.

Warrants

Warrants, other than the Penny Warrants as defined and described in Note 4 to our Consolidated Financial Statements included in this Annual Report, are accounted for in accordance with applicable accounting guidance provided in ASC 815*, Derivatives and Hedging – Contracts in Entity's Own Equity* ("ASC 815"), as a liability based on the specific terms of the warrant agreement and recorded at fair value. The warrants are subject to re-measurement at each settlement date and at each balance sheet date and any change in fair value is recognized in earnings. The fair value of the warrant liability, which is reported within Warrant liability on the Consolidated Balance Sheets, is estimated by us based on the Black-Scholes option pricing model with the following inputs (Level 3):

- Price of common stock
- Estimated expected term
- Estimated exercise price
- Estimated expected volatility
- Estimated risk free interest rate
- Estimated expected dividend rate

Loan Facility

We elected the fair value option ("FVO") of accounting under ASC 825-10*, Financial Instruments* ("ASC 825"), to account for the debt. ASC 825 provides FVO election that allows companies an irrevocable election to use fair value at the date of issuance and subsequently remeasure every reporting period. The fair value of the loan facility is reported in the Consolidated Balance Sheets. Changes in fair value are reported in earnings in Other income in the Consolidated Statements of Operations. Any changes in fair value caused by instrument-specific credit risk are presented separately in other comprehensive income. We have elected to present interest expense separately from changes in fair value and therefore will present interest expense associated with the loan facility. All costs associated with the issuance of the Previous Credit Agreement accounted for using the fair value option were expensed upon issuance. Refer to Note 6 for further details.

The fair value of the loan facility was determined using a Monte Carlo simulation in order to capture the probability of different potential cash flows outcomes associated with the contractual terms of the instrument. The below assumptions were used in the Monte Carlo simulation (Level 3):

- Estimated risk free interest rate
- Estimated revenue volatility
- Estimated revenue discount rate
- Estimated future revenue projection
- Estimated expected dividend rate

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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.

We review our uncertain tax positions regularly. An uncertain tax position represents our 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. We recognize 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 15 to our Consolidated Financial Statements included in this Annual Report for additional detail on income taxes.

Recent accounting pronouncements

See discussion of recent accounting pronouncements in Note 2 to the Consolidated Financial Statements located in Item 8 in this Annual Report.

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Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide the information required by this item.

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 December 31, 2025. Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of December 31, 2025.

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 December 31, 2025, 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 December 31, 2025.

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 three-months ended December 31, 2025, 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 controls or other 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

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

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PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Identification of Directors

Name	Age	Position with the Company and Principal Occupation	Director Since	Board Term Expires
Cary Vance	60	Executive Chairman of the Board of Directors and Interim Chief Executive Officer	June 2023	June 2026
Jan Stern Reed	66	Lead Independent Director	July 2021	June 2026
Jeremy Curnock Cook	76	Non-Executive Director	October 2012	June 2026
Professor Suzanne Crowe	75	Non-Executive Director	January 2016	June 2026
Robert McNamara	69	Non-Executive Director	June 2023	June 2026
Dr. Michael Tarnoff	57	Non-Executive Director	August 2025	June 2026
Joe Woody	60	Non-Executive Director	January 2026	June 2026

Cary Vance was appointed Interim CEO of the Company in October 2025 and has served as Chairman of the Board since August 2025 and Director since April 2023. Mr. Vance has over 25 years of extensive leadership experience in the healthcare industry with commercial and operational expertise. He served as the President and Chief Executive Officer of PhotoniCare, Inc., from May 2023 until January 2025. Prior to this appointment, he was President and CEO of Titan Medical, and he served as an independent director for its Board of Directors through November 2024. Previously, Mr. Vance served as President and CEO of XCath, a privately held neurovascular robotics company, having also served in similar roles at OptiScan Biomedical, Myoscience, and Hansen Medical. He supported these companies as they commercialized and transformed markets with their disruptive, enabling, and game-changing novel technologies. Prior to his role at Hansen Medical, he served in various global executive leadership roles at Teleflex, Covidien, and GE HealthCare. Mr. Vance is Lean/Six Sigma Black Belt Certified, NACD Certified, and holds both a Bachelor of Arts degree in Economics and an MBA from Marquette University. We believe Mr. Vance is qualified to continue to serve on our Board as an executive director based on his leadership experience, together with his extensive commercial and operational expertise in the healthcare industry.

Jan Stern Reed was appointed Lead Independent Director in October 2025 and has served as a Director since July 2021. She has more than 35 years of legal, business management, and executive leadership experience primarily in the healthcare industry, and brings significant expertise in corporate governance, compliance, and risk management. 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), an industry-leading and transformative medical technology company focused on improving patient outcomes. Previously, Ms. Reed served as Senior Vice President, General Counsel and Corporate Secretary at Walgreens Boots Alliance, Inc., a global 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. We believe Ms. Reed is qualified to serve on our Board based on her extensive experience in legal, corporate governance, compliance, human resources, audit and enterprise risk management, and general business management and executive leadership.

Jeremy Curnock Cook has served as a Director since October 2012. He is a veteran in the healthcare services and life sciences industries, and has been actively supporting the commercialization of healthcare innovations and helping entrepreneurs build their international businesses over the past 45 years. Mr. Curnock Cook is currently Founder and Managing Director of BioScience Managers, a healthcare investment firm with over $AUS 190M under management. Over his career, Mr. Curnock Cook has successfully managed in excess of US $1 billion in equity investments. Mr. Curnock Cook brings his decades of international experience to our Board. He launched the first dedicated biotechnology fund for the Australian market and is a former head of the life science private equity team at Rothschild Asset Management, an early pioneer and significant investor in the sector. In his early career, he founded the International Biochemicals Group which he successfully sold to Royal Dutch Shell. Mr. Curnock Cook founded a European-focused seed fund with Johnson & Johnson and built the International Biotechnology Trust. Mr. Curnock Cook has served on more than 40 boards of directors in the life science sector in the UK, Europe, USA, Canada, Japan, and Australia. In addition to serving on our Board, Mr. Curnock Cook currently serves on the following boards: International BioScience Managers Ltd (appointed March 2000), Bioscience Managers Pty Ltd (appointed January 2003), REX Bionics Pty Ltd (appointed February 2012), Sheldon LTD (formerly Sea Dragon) (appointed October 2012), Adherium Ltd appointed (April 2015), BioScience Managers UK Ltd (appointed August 2017), Marine Department Ltd (appointed January 2019), JLCC Ltd (appointed December 2019), Tidal Sense LTD (formally CRiL) (appointed November 2020), and Humanetix Ltd (appointed September 2021). We believe Mr. Curnock Cook is qualified to serve on our Board based on his extensive global experience in the life sciences sector, specifically with companies focused on innovation.

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Professor Suzanne Crowe AO has served as a Director since January 2016. Australian-based, she is a physician-scientist, and as a director, has expertise in supporting companies with their medical and scientific strategies. Professor Crowe is an Emeritus Professor at Monash University Melbourne, and she recently retired after 35 years of service as both Associate Director Clinical Research at the Burnet Institute and Senior Specialist Physician in Infectious Diseases at The Alfred Hospital Melbourne. A Fellow of the Australian Institute of Company Directors, she is currently a Director of Sonic Healthcare Ltd, a large global medical diagnostics company. In addition, Professor Crowe served on the board of St. Vincent's Health Australia Ltd., the country's largest not-for-profit health and aged care provider, from 2012 to2021. In June 2020, she was appointed as Officer of the Order of Australia in recognition of her distinguished services to health, clinical governance, biomedical research, and education. We believe Professor Crowe is qualified to serve on our Board based on her medical and research expertise, as well as experience in supporting companies with their medical and scientific strategies.

Robert McNamara has served as a Director since April 2023. He has over 25 years of leadership experience in public and privately held companies in the medical device and technology industries. His extensive experience in operations and financial management spans across early-stage, high-growth, and mature companies. Mr. McNamara previously served as a board member, Chair of the Compensation Committee, and member and chair of the Audit Committee for Xtant Medical Holdings (NYSE: XTNT). He is a former member of the Board of Directors and Chair of the Audit Committee for Axonics, Inc. Prior to these appointments, Mr. McNamara served as Executive Vice President, Chief Financial Officer of LDR Holding/Spine. Prior to this role, he served as the Chief Financial Officer of three publicly traded medical device companies including Accuray, Somnus Medical Technologies, and Target Therapeutics. Mr. McNamara holds a Bachelor of Science in Accounting from the University of San Francisco and an MBA from The Wharton School, University of Pennsylvania. We believe Mr. McNamara is qualified to serve on our Board because of his financial expertise, especially with high-growth companies, and his experience with the enterprise risk management and other requirements of U.S. public and private companies within the medical device and technology industries.

Dr. Michael Tarnoff was appointed a Director in October 2025. Dr. Tarnoff spent 23 years of his professional career at Tufts Medical Center, serving in various executive leadership roles, most recently as the Chief Physician Executive and CEO, until 2024. While serving in various leadership positions at Tufts, Dr. Tarnoff served as Chief Medical Officer and Vice President, Medical Affairs at Medtronic, Inc. from 2015 to 2019. Before working for Medtronic, from 2008 through 2015, Dr. Tarnoff was the Corporate Chief Medical Officer and Vice President, Medical Affairs, and before that position, the Chief Medical Officer and Vice President, Medical Affairs of the Surgical Devices division, at Covidien plc. Additional executive leadership experience includes roles serving as Medical Director at GI Dynamics, Inc. from 2006 to 2008, as well as Chief Medical Consultant to the Kendall surgery unit of Tyco Healthcare from 2005 to 2008. After earning a Bachelor of Arts degree from Washington University in St. Louis, Dr. Tarnoff received his medical degree from the University of Medicine and Dentistry of New Jersey. He then completed a general surgery residency at Rutgers Medical School, followed by an advanced fellowship in laparoscopic surgery at the Cleveland Clinic. We believe Dr. Tarnoff is qualified to serve on our Board of Directors based on his extensive medical experience and expertise in clinical innovation, combined with his executive leadership experience.

Joe Woody was appointed a Director in January 2026. Mr. Woody is a seasoned healthcare executive with more than two decades of leadership experience across the medical technology sector, most recently serving as CEO of Avanos Medical from 2017 to 2024, and previously, as President and CEO of Acelity Holdings. His background spans multiple senior executive roles, including with Covidien and Smith & Nephew. Mr. Woody also served on the Board of Directors of AdvaMed, Inc., the largest trade association in the U.S. for the medical device, diagnostics, and digital health technology sectors, for over a decade. We believe Mr. Woody is qualified to serve on our Board of Directors based on his extensive medical technology experience and commercial expertise.

Identification of Named Executive Officers

Name	Age	Position	Date First Elected or Appointed
Cary Vance	60	Interim Chief Executive Officer	October 2025
David O'Toole	67	Chief Financial Officer	June 2023
Nicole Kelsey	59	Chief Legal and Compliance Officer and Corporate Secretary; Interim SVP, HR	July 2024

Cary Vance is discussed above under "Identification of Directors".

David O'Toole is an accomplished financial executive with extensive experience in both public company operations and capital markets, and has served as AVITA Medical's Chief Financial Officer since June 2023. Prior to joining the Company, Mr. O'Toole served as CFO of Opiant Pharmaceuticals, a biopharmaceutical company developing treatments for addiction and drug overdose, which was acquired by Indivior in March of 2023. Prior to that, he served as CFO of Soleno Therapeutics, a company focused on the development and commercialization of novel therapeutics for the treatment of rare diseases. Prior to Soleno, Mr. O'Toole held the role of CFO for three publicly traded life sciences companies where he built and led high-performance teams. Prior to his CFO experience, he spent over 24 years in public accounting, including 16 years with Deloitte & Touche. He holds a Bachelor of Science in accounting from the University of Arizona and is a Certified Public Accountant (non-active).

Nicole Kelsey has served as Chief Legal and Compliance Officer, and Corporate Secretary since July 2024, and as Interim SVP, Human Resources since November 2025. Ms. Kelsey has over 25 years of executive legal experience with expertise in M&A, securities, and corporate governance. Ms. Kelsey previously served as Chief Legal Officer and Secretary for Amyris, Inc., a leading biotech company, and as General Counsel and Secretary of Criteo, a global leader in commerce marketing based in Paris with global operations. Prior to joining Criteo, Ms. Kelsey was the senior securities lawyer for Medtronic, a global leader in medical technology; she served as head M&A attorney for CIT Group, Inc.; was the general counsel and chief compliance officer of a private merchant bank; and was the senior corporate attorney for the international conglomerate Vivendi. Before going in-house, Ms. Kelsey practiced with the law firms of White & Case and Willkie, Farr & Gallagher, in Paris and New York. A Fulbright scholar, Ms. Kelsey holds a Juris Doctor degree from Northwestern Pritzker School of Law and a Bachelor of Arts degree in Political Science and International Studies from The Ohio State University, and is admitted to practice law in New York and Minnesota.

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.

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Gender Diversity

The 4th Edition of the ASX's Corporate Governance Principles and Recommendations (the "Australian Governance Principles") recommend we set measurable objectives for achieving gender diversity in the composition of our Board of Directors, senior executives and workforce generally. As of the date of this Form 10-K, the non-executive Directors of the Company are 33% female, our senior executive team members are 40% female, and our total employee base is 52.5% female.

The Company's Code of Business Conduct & Ethics (the "Code"), together with its Equal Employment Opportunity Policy (which forms part of its Employee Handbook) and the Charter of the Board's Nominating and Corporate Governance Committee, together set forth the Company's policy to provide equal employment opportunities to all employees and applicants in all Company facilities without regard to race, color, religious creed, sex, national origin, ancestry, citizenship status, pregnancy, childbirth, physical disability, mental and/or intellectual disability, age, military status or status as a special disabled veteran, marital status, registered domestic partner or civil union status, gender, medical condition, genetic information, or sexual orientation in accordance with applicable federal, state and local laws, including the Australian Governance Principles. For more information about the Code, please see the "Code of Conduct" section below. The Company's Employee Handbook applies to all terms and conditions of employment including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation and training. The Company's Code and the Charter of the Board's Nominating and Corporate Governance Committee are each available on the Company's website.

Performance Evaluations

The Nominating and Corporate Governance Committee Chair guides the Board of Directors in an annual self-evaluation process to assess the functioning of the Board of Directors, its committees, and its individual directors.

Additionally, each of Audit, Human Capital and Compensation, and Nominating and Corporate Governance Committees conduct annual self-evaluations regarding their composition (including review of the Board member serving as Chair of each such committee) the frequency and length of their meetings, their responsibilities, and the effectiveness of their respective duties.

The Company's Human Capital and Compensation Committee undertakes a review of the performance of the Company's CEO and the executive management team annually during the first quarter of each calendar year. The Company's Human Capital and Compensation Committee completed these performance evaluations for the fiscal year ended December 31, 2025 on or around January 5, 2026.

Code of Conduct

The Code we have adopted constitutes a "code of ethics" as that term is defined in paragraph (b) of Item 406 of Regulation S-K. The Code applies to our executive officers, non-executive Directors, management, employees, and contractors of the Company. We regularly review the Code on an annual basis. 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. A copy of the Code is available on our website at www.avitamedical.com. 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 Exchange Act requires the Company's Directors, certain of its executive officers and other persons who beneficially own more than 10% of the Company's common shares to file reports of, and changes in, ownership of the Company's Common Stock (as well as its CDIs) 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 the fiscal year-ended December 31, 2025.

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Election of Directors

Our Board of Directors consists of seven members, six of which are non-executive Directors. 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. With the exception of Messrs. Tarnoff and Woody, who joined our Board after the 2025 annual shareholders' meeting on June 4, 2025 (the "FY25 ASM"), ur Directors were elected at the FY25 ASM, to hold office for a term of one year or until his or her successor is duly elected and qualified. Any newly created directorship or any vacancy occurring on our Board of Directors may be filled only by a majority vote of the remaining members of our Board, 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. On October 16, 2025, upon the appointment of Mr. Vance as the Company's Interim CEO and confirmation that Mr. Vance continue to serve as the Board's Chair, the Board appointed Ms. Reed as its lead independent Director. 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 shareholders' meeting following the Director's appointment or three years, whichever is longer.

Stockholder Nominees for Director

There have been no material changes to the procedures by which stockholders may recommend nominees to the Board of Directors.

Committees of the Board of Directors

Our Board of Directors has established the Audit Committee, the Human Capital and Compensation Committee, and the Nominating and Corporate Governance Committee, each of which operates pursuant to a written charter adopted and reviewed annually by our Board of Directors. The information on our website is not incorporated by reference into this Annual Report. Our Board of Directors may also establish other committees from time to time to assist the Board of Directors in fulfilling its risk oversight duties. 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 Australian Governance Principles.

Following the retirement of Lou Panaccio, the Board appointed Joe Woody to the Board and each of the Board's committees, effective January 1, 2026, to serve until the Company's 2026 annual shareholders' meeting. As of the date of this report, the composition of Audit, Human Capital and Compensation, and Nominating and Corporate Governance Committees were as follows:

Director	Independent		Human Capital and Compensation Committee		Audit Committee		Nominating and Corporate Governance Committee	
Jan Stern Reed	X	(1)	Member		Member		Chair	(2)
Professor Suzanne Crowe	X		Member		Member		Member	
Jeremy Curnock Cook	X		Member		Member		Member	
Robert McNamara	X		Member		Chair	(3)	Member	
Dr. Michael Tarnoff	X		Chair	(4)	Member	(5)	Member	(5)
Joe Woody	X	(6)	Member		Member		Member	

(1) Appointed lead independent Director effective as of October 16, 2025

(2) Appointed chair effective as of the fourth quarter 2025 Board meeting (November 5, 2025).

(3) Appointed chair effective as of the first quarter 2023 Board meeting (May 10, 2023)

(4) Appointed chair effective as of the fourth quarter 2025 Board meeting (November 5, 2025).

(5) Committee membership effective as of the fourth quarter 2025 Board meeting (November 5, 2025).

(6) Appointed as member to each Committee effective as of January 1, 2026.

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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. In addition, the ASX Listing Rules and the Australian Governance Principles 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 of Directors.

We have an Audit Committee 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 the audits of our financial statements, including the integrity of our financial statements by the Company's registered public accounting firm, compliance with applicable legal and regulatory requirements, our registered public accounting firm's qualifications and independence, and such other duties as may be directed by our Board of Directors. The Audit Committee is also required to review the Company's enterprise risk management on behalf of the Board of Directors.

Our Audit Committee currently consists of six Board members, each of whom satisfies the "independence" requirements of the SEC, Nasdaq Marketplace Rules, the ASX Listing Rules and the Australian Governance Principles. Our Audit Committee is currently composed of Robert McNamara, Jeremy Curnock Cook, Jan Stern Reed, Dr. Michael Tarnoff, Joe Woody, and Professor Suzanne Crowe. Each qualifies as an "independent director" within the meaning of Nasdaq Marketplace Rules and the Australian Governance Principles. Mr. Robert McNamara is the current Chair of the Audit Committee (being an independent Director who is not Chair of the Board) and was appointed to that role as of upon joining the Board on April 1, 2023, following his appointment to the Board of Directors. Our Board of Directors has determined that Robert McNamara is an "audit committee financial expert," as defined in item 407(d)(5)(ii) of Regulation S-K. The Audit Committee meets at least four times per year. See below for summary of attendance.

The Audit Committee held a total of four meetings during the annual period ended December 31, 2025. The meetings attended by each Director, and the number of meetings that they were each eligible to attend, is as follows:

Audit Committee Meeting Attendance

		Meetings attended/Meetings held
Robert McNamara (Chair)		4/4
Professor Suzanne Crowe		4/4
Jeremy Curnock Cook		4/4
Lou Panaccio		4/4
Jan Stern Reed		4/4
Dr. Michael Tarnoff	(1)	2/4
Cary Vance	(2)	4/4

(1) Dr. Michael Tarnoff was appointed by the Board of Directors to serve as member of the Audit Committee, effective as of the Board's fourth quarter 2025 meeting on November 5, 2025.

(2) Mr. Cary Vance was a member of the Audit Committee until his appointment as Interim CEO on October 16, 2025; following such appointment, Mr. Vance continued to attend, but recused himself of any voting by the Committee for the remainder of the Committee's meetings in 2025.

Human Capital and Compensation Committee

Our Board of Directors has established a Human Capital and Compensation Committee, which is comprised of independent Directors, within the meaning of Nasdaq Marketplace Rules and also the Australian Governance Principles. The Human Capital and 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 Australian Governance Principles. The Human Capital and Compensation Committee is responsible for reviewing the salary, incentives, and other benefits of our Directors, executive officers and employees, and making recommendations on such matters for approval by our Board of Directors. The Human Capital and Compensation Committee is also responsible for overseeing and advising our Board of Directors regarding the adoption of policies that govern our compensation programs. Professor Suzanne Crowe, Jeremy Curnock Cook, Robert McNamara, Jan Stern Reed, Dr. Michael Tarnoff, and Joe Woody are the current members of the Human Capital and Compensation Committee, and each qualifies as an "independent director" within the meaning of Nasdaq Marketplace Rules and the Australian Governance Principles. Dr. Michael Tarnoff was appointed to serve as the Chair of the Human Capital and Compensation Committee (being an independent Director who is not the chair of the Board) in the fourth quarter 2025 meeting (November 5, 2025).

The Human Capital and Compensation Committee held a total of five meetings during annual period ended December 31, 2025. The meetings attended by each Director, and the number of meetings that they were each eligible to attend, is as follows:

Human Capital and Compensation Committee Meeting Attendance

		Meetings attended/Meetings held
Dr. Michael Tarnoff (Chair)	(1)	2/5
Professor Suzanne Crowe		5/5
Jeremy Curnock Cook		5/5
Robert McNamara		5/5
Lou Panaccio		5/5
Jan Stern Reed		5/5
Cary Vance	(2)	5/5

(1) Dr. Michael Tarnoff was appointed by the Board of Directors to serve as chair of the Human Capital and Compensation Committee, effective as of the Board's fourth quarter 2025 meeting on November 5, 2025.

(2) Mr. Cary Vance was chair of the Human Capital and Compensation Committee until his appointment as Interim CEO on October 16, 2025; following such appointment, Mr. Vance continued to attend, but recused himself of any voting by the Committee for the the remainder of the Committee's meetings in 2025.

Nominating and Corporate Governance Committee

Our Board of Directors has established a Nominating and Corporate Governance Committee. Under the Australian Governance Principles, our Nominating and Corporate Governance Committee should have at least three members, a majority of whom are independent, and should also be chaired by an independent Director. Professor Suzanne Crowe, Jeremy Curnock Cook Robert McNamara, Jan Stern Reed, Dr. Michael Tarnoff, and Joe Woody are the current members of the Nominating and Corporate Governance Committee and each qualifies as an "independent director" within the meaning of Nasdaq Marketplace Rules and the Australian Governance Principles. Ms. Jan Stern Reed is the Chair of the Nominating and Corporate Governance Committee (being an independent director). The Nominating and Corporate Governance Committee is responsible for identifying individuals qualified to serve as 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, recommending qualified and experienced directors to serve on the committees of our Board of Directors, reviewing the composition of the Board and its committees, and determining the independence of each Board member. In addition, the Nominating and Corporate Governance Committee is responsible for leading the Board of Directors to complete annual self-evaluations of the Board, its committees, and the individual directors.

The Nominating and Corporate Governance Committee held a total of four meetings during the annual period ended December 31, 2025. The meetings attended by each Director, and the number of meetings that they were each eligible to attend, is as follows:

Nominating and Corporate Governance Committee Meeting Attendance

		Meetings attended/Meeting held
Jan Stern Reed (Chair)	(1)	4/4
Professor Suzanne Crowe		4/4
Jeremy Curnock Cook		4/4
Robert McNamara		4/4
Lou Panaccio		4/4
Dr. Michael Tarnoff	(2)	2/4
Cary Vance	(3)	4/4

(1) Ms. Jan Stern Reed was appointed by the Board of Directors to serve as the Chair of the Nominating and Corporate Governance Committee at the second quarter 2023 meeting of the Board on May 9, 2023.

(2) Dr. Michael Tarnoff was appointed by the Board of Directors to serve as a member of the Nominating and Corporate Governance Committee, effective as of the Board's fourth quarter 2025 meeting on November 5, 2025.

(3) Mr. Cary Vance was a member of the Nominating and Corporate Governance Committee until his appointment as Interim CEO on October 16, 2025 but was in attendance at All Committee meetings in 2025; following such appointment, Mr. Vance continued to attend, but recused himself of any voting by the Committee for the the remainder of the Committee's meetings in 2025..

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Board of Directors' Meetings

The Board of Directors held a total of ten meetings during the annual period ended December 31, 2025. The meetings attended by each Director, and the number of meetings that they were each eligible to attend, is as follows:

Board of Directors' Meeting Attendance

		Meetings attended/Meetings held
Cary Vance (Chair)	(1)	10/10
Professor Suzanne Crowe		10/10
Jeremy Curnock Cook		9/10
Robert McNamara		10/10
Lou Panaccio	(2)	9/10
Jan Stern Reed	(3)	10/10
Dr. Michael Tarnoff	(4)	4/10

(1) Mr. Cary Vance was appointed Chairman of the Board in its third quarter 2025 meeting on August 6, 2025.

(2) Mr. Lou Panaccio resigned as Chairman of the Board of Directors in its third quarter 2025 meeting on August 6, 2025, with December 31, 2025 as his last day of service.

(3) Ms. Jan Stern Reed was appointed by the Board of Directors to serve as Lead Independent Director on October 16, 2025.

(4) Dr. Michael Tarnoff was appointed by the Board of Directors in its third quarter 2025 meeting on August 6, 2025.

Item 11. EXECUTIVE COMPENSATION

The particulars of the compensation paid to the below listed "named executive officers" of our company are set out in the summary compensation below.

- *Cary Vance, Interim Chief Executive Officer*
- *David O'Toole, Chief Financial Officer*
- *Nicole Kelsey, Chief Legal and Compliance Officer, and Corporate Secretary and Interim SVP, Human Resources*
- *James Corbett, Former Chief Executive Officer*

SUMMARY COMPENSATION TABLE

The following table sets forth for our named executive officers the following information for the annual periods ended December 31, 2025 and December 31, 2024.

Name and Position	Year	Salary	Bonus	Option Awards (1)	All Other Compensation (2)		Total
Named Executive Officers:		**($)**	**($)**	**($)**	**($)**		**($)**
Cary Vance	2025	137,475	140,000	-	578		278,053
Interim Chief Executive Officer	2024	-	-	-	-		-
David O'Toole	2025	490,916	98,600	887,000	48,740	(3)	1,525,256
Chief Financial Officer	2024	459,253	195,500	1,068,666	54,109	(4)	1,777,528
Nicole Kelsey	2025	458,455	91,800	384,366	15,936	(5)	950,557
Chief Legal and Compliance Officer, and Interim SVP, Human Resources	2024	228,475	95,625	784,700	179,390	(6)	1,288,190
James Corbett	2025	569,302	-	642,373	196,040	(7)	1,407,715
Former Chief Executive Officer	2024	684,231	459,000	2,080,166	20,487		3,243,885

(1) Amounts in this column represent awards of stock options with the aggregate grant date fair value computed in accordance with ASC 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 14, 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 tenure related criteria.

(2) 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 non-qualified deferred compensation employer match, 401(k) match, and fringe benefits such as car allowance, accommodations and medical benefits, along with related taxes on grossed up fringe benefits.

(3) Amounts primarily relate to $29,415 of non-qualified deferred compensation employer match and the Company's 401(k) employer match contribution.

(4) Amounts primarily relate to $27,550 of non-qualified deferred compensation employer match and the Company's 401(k) employer match contribution.

(5) Amounts primarily relate to the Company's 401(k) employer match contribution.

(6) Primarily relates to relocation assistance.

(7) Amounts primarily relate to $117,000 in severance payments, $53,595 in vacation buy-out and $25,445 in the Company's 401(k) employer match contribution and group term life insurance premiums.

Employment Contracts

The following table outlines the specified terms of the relevant employment contracts for the named executive officers of the Company. For compensation information of named executives refer to the table above.

Role	Name	Contract Duration	Period of Notice (2)	Termination payments provided for by contract (1) (3)
Interim Chief Executive Officer (CEO)	Cary Vance	One year	Termination by the Company with or without Cause – No notice period. Resignation by executive- with or without reason - 90 days prior written notice.	Any accrued but unpaid salary or bonus
Chief Financial Officer (CFO)	David O'Toole	Open-ended contract	Termination by the Company or Executive with or without Cause – No notice period.	12 months
Chief Legal & Compliance Officer and Corporate Secretary, and Interim SVP, Human Resources (CLCO)	Nicole Kelsey	Open-ended contract	Termination by the Company or Executive with or without Cause – No notice period.	12 months

(1) Termination payments for the CFO and CLCO are triggered only in the event of employment termination for involuntary termination without cause or resignation for "Good Reason."

(2) "Cause" - For the CFO and CLCO, Cause is defined as (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.

(3) "Good Reason" - For the CFO and CLCO, 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 (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; 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."

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Compensation Principles

The Charter of the Human Capital and Compensation Committee provides a compensation governance framework (the "Charter"). The Charter outlines responsibilities and duties of the members, sets forth the frequency of meetings, establishes and reviews the overall compensation policies and practices of the Company, and also sets forth the process to 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.

Human Capital and Compensation Committee

The Human Capital and Compensation Committee approves or makes recommendations to our Board of Directors on decisions concerning compensation of the executive leadership team (including the Chief Executive Officer) and the Board of Directors on an annual basis to ensure that it is consistent with our short-term and long-term goals. The Company's CEO makes recommendations to the Human Capital and Compensation Committee for review, modification (if applicable) and approval of the bonus and equity incentive awards for members of the executive leadership team. Then, the Human Capital and Compensation Committee assesses the appropriateness of the nature and amount of compensation (including the overall bonus and equity incentive awards) of our executive officers with the assistance of an external compensation consultant and 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 executive leadership team and Board of Directors. Additionally, the Human Capital and Compensation Committee reviews and recommends to the Board of Directors the overall annual bonus awards and the annual merit increase for the employees of the Company. The Company's CEO, together with certain executive officers, regularly discuss the Company's compensation matters with the Human Capital and Compensation Committee.

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

The Company does not have any agreements or plans other than the current employment contracts in place for the named executive officers that would provide additional compensation in connection with a retirement.

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

The employment contract provides for the following severance payments upon termination by us without cause or by the employee for good reason (as defined in the particular employment agreement): (i) payment of the employee's then-current base salary for a period of 12-months for the CFO or CLCO, (ii) a pro-rated target bonus for the period during which the employee was employed in the year of termination, (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 and restricted stock unit awards.

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Outstanding Equity Awards at Fiscal Year-End

The following table presents information regarding outstanding equity awards held by our named executive officers as of December 31, 2025 (in US dollars).

	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)
Cary Vance, Interim Chief Executive Officer	-	4,295 (2)	$8.73	1/21/2035	13,480	$46,506
	3,943	- (3)	1/21/2026	6/5/2034		
	5,610	1,482 (4)	$7.72	6/6/2023		
David O'Toole, Chief Financial Officer	-	150,000 (2)	6/5/2025	1/21/2035		
	41,667	83,333 (5)	6/6/2026	1/3/2034		
	100,000	50,000 (6)	1/21/2027	6/15/2033		
Nicole Kelsey, Chief Legal and Compliance Officer, and Interim SVP, Human Resources	-	65,000 (2)	1/3/2025	1/21/2035		
	50,000	100,000 (7)	$7.72	7/1/2034		

(1) Amounts in this column are calculated by multiplying the closing market price of the Company's stock as of December 31, 2025 by the number of shares or units of stock awards.

(2) Vests annually beginning on January 21, 2026.

(3) Vests annually beginning on June 5, 2025.

(4) Vests annually beginning on June 6, 2024.

(5) Vests annually beginning on January 3, 2025.

(6) Vests annually beginning on June 15, 2024.

(7) Vests annually beginning on July 1, 2025.

Director Compensation

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 December 31, 2025 (in U.S. Dollars). We do not provide separate compensation to our executive Directors, such as Mr. Corbett, who served as our Chief Executive Officer during the fiscal year-ended December 31, 2025 until October 16, 2025. In the case of Mr. Vance, he was compensated as a non-executive director until his appointment as Interim CEO on October 16, 2025.

	Fees earned in cash (1)	Stock awards (2)	Option awards (3)	Total
Non-Executive Directors				
Jan Stern Reed - Lead Independent Director	$ 104,792	$ 87,492	$ 15,462	$ 207,746
Professor Suzanne Crowe	92,496	87,492	15,462	195,450
Jeremy Curnock Cook	92,496	87,492	15,462	195,450
Robert McNamara	102,504	87,492	15,462	205,458
Lou Panaccio	113,480	87,492	15,462	216,434
Dr. Michael Tarnoff	32,870	-	-	32,870
Cary Vance	91,516	87,492	15,462	194,470
Total Non-Executive Directors	**$ 630,154**	**$ 524,952**	**$ 92,772**	**$ 1,247,879**

(1) Amounts are composed of the following: $70,000 for fees as a Board Member, $35,000 for Lead Independent Director, $20,000 for Audit Committee Chair, $15,000 for Human Capital and Compensation Committee Chair, $10,000 for Nominating and Corporate Governance Chair, $10,000 for Audit Committee Member, $7,500 for Human Capital and Compensation Committee Member, and $5,000 for Nominating and Corporate Governance Member.

(2) Amounts in this column represent awards of restricted stock units with the aggregate grant date fair value computed in accordance with ASC 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 service based and subject to continued participant as Board Members.

(3) Amounts in this column represent awards of stock options with the aggregate grant date fair value computed in accordance with ASC 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 14, 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 service based and subject to continued participant as Board Members.

Equity Compensation Plan Information as of December 31, 2025

Plan Category		Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)	
Equity compensation plans approved by security holders					
2016 Equity Incentive Plan	(2)			-	(1)
Stock Options		429,738	$ 12.77		
2020 Equity Incentive Plan				2,841,311	
Stock Options		3,345,733	$ 11.02		
2021 AGM Awards				-	
Stock Options		22,600	$ 12.18		
2022 AGM Awards				-	
Stock Options		191,302	$ 5.79		
2023 AGM Awards				-	
Stock Options		91,435	$ 14.17		
RSUs		6,916			
2024 AGM Awards					
Stock Options		256,992	$ 12.35		
2025 AGM Awards					
Stock Options		199,104	$ 8.73		
RSUs		60,132			
Equity compensation plans not approved by security holders		-	-	-	
Total		4,603,952		2,841,311	

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

(2) The 2016 Plan was previously approved and adopted by the shareholders of AVITA Australia, the former parent company.

No securities were purchased on-market:

- under or for the purposes of an employee incentive plan; or
- to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive plan.

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

The information required with respect to this item is incorporated herein by reference to our Definitive Proxy Statement for our 2026 Annual Meeting of Stockholders or an amendment of this report to be filed with the SEC no later than 120 days after the close of our year ended December 31, 2025.

Australian Disclosure Requirements

In addition to the Company's primary listing on the Nasdaq Capital 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 set out under the ASX Listing Rules. Information satisfying these disclosure requirements (where that information has not been provided elsewhere in this Annual Report) is furnished with this Annual Report as Exhibit 99.1, titled *Australian Disclosure Matters for FY 2025*.

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

Transactions with Related Persons

SEC rules require us to disclose any transaction or currently proposed transaction in which the Company is a participant and in which any related person has or will have a direct or indirect material interest involving the lesser of $120,000 or 1% of the average of the Company's total assets as of the end of the last two completed fiscal years. A related person is any executive officer, director, nominee for director, or holder of 5% or more of the Company's Common Stock, or an immediate family member of any of those persons. Since January 1, 2023, the Company has not participated in any such related party transaction.

Director Independence

The Company's Board of Directors has determined that all members of our Board of Directors, except Mr. Cary Vance, are independent directors for purposes of the rules of Nasdaq and the SEC and for the purposes of the ASX Listing Rules and the Australian Governance Principles. 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. Vance's position as Interim CEO.

The composition and functioning of the Company's Board of Directors and each of its 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 Australian Governance Principles.

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 years-ended December 31, 2025 and 2024. The following table sets forth fees billed or accrued by our independent registered public accountants during the years-ended December 31, 2025 and 2024.

	Year-Ended December 31, 2025	Year-Ended December 31, 2024
Audit fees - Grant Thornton LLP (1)	$ 803,294	$ 726,716
Tax fees - Grant Thornton LLP (2)	128,938	175,652
Total fees	$ 932,232	$ 902,368

(1) Audit fees consist of fees for the professional services 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 the Company's Audit Committee or the engagement to render services is entered into pursuant to pre-approval policies and procedures established by the audit committee. The Audit Committee pre-approved all audit services provided by independent registered public accountants during the years-ended December 31, 2025 and 2024.

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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 (incorporated by reference to Exhibit 3.2 to the registrant's Form 10-KT filed on February 28, 2022)
3.3	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 of the registrant's Form 8-K filed on May 15, 2025)
4.1	Description of Capital Stock (incorporated by reference to Exhibit 4.1 to the registrant's Form 10-K filed on February 23, 2023)
4.2	Form of Warrants (included as Annex A to the Fourth Amendment incorporated by reference to Exhibit 10.50 hereto)
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) (incorporated by reference to Exhibit 10.10 to the registrant's Form 10-KT filed on February 28, 2022)
10.11	Executive Employment Agreement between the registrant and James Corbett dated September 26, 2022 (incorporated by reference to Exhibit 10.1 of the registrant's Form 10Q filed on November 10, 2022)
10.12	Amendment One to Employment Agreement between the registrant and James Corbett, dated March 16, 2023 (incorporated by reference to Exhibit 10.1 of the registrant's Form 8-K filed on March 22, 2023) †
10.13	Executive Employment Agreement between the registrant and David O'Toole dated June 17, 2023 (incorporated by reference to Exhibit 10.3 to the registrants Form 10Q filed August 10, 2023) †*
10.14	Amendment No. 1 to the 2020 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed on June 7, 2023) †
10.15	AVITA Medical, Inc. Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K filed on June 7, 2023) †
10.16	Form of Stock Option Grant (incorporated by reference to Exhibit 10.19 to the registrant's Form 10-K filed on February 23, 2023)†
10.17	Form of RSU Agreement (incorporated by reference to Exhibit 10.20 to the registrant's Form 10-K filed on February 23, 2023)†
10.18	2020 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.29 to the registrant's Form 10-KT filed on February 28, 2022) †
10.19	Fourth Amendment to the Lease Agreement between the registrant and RIF III-Avenue Stanford LLC, dated August 25, 2021, as amended) (incorporated by reference to Exhibit 10.30 to the registrant's Form 10-KT filed on February 28, 2022)
10.20	Stock Option Grant Agreement between the registrant and James Corbett, dated effective September 28, 2022 (incorporated by reference to Exhibit 10.23 of Form 10-K filed on February 23, 2023).
10.21	Fifth Amendment to the Lease Agreement between the registrant and 28159 Avenue Stanford Properties, LLC, (formerly RIF III-Avenue Stanford LLC), dated January 26, 2023, as amended) (incorporated by reference to Exhibit 10.24 to the registrant's Form 10-K filed on February 23, 2023)
10.22	Engagement Letter dated March 15, 2023, between the registrant and Mr. Cary Vance (incorporated by reference to Exhibit 10.1 of the registrant's Form 8-K filed on March 21, 2023) †
10.23	Non-Qualified Deferred Compensation Plan (incorporated by reference to Exhibit 10.4 on Form 10Q issued May 11, 2023) †
10.24	Lease agreement between URP X LLC and AVITA Medical, Inc. dated May 11, 2023 (incorporated by reference to Exhibit 10.5 on Form 10Q issued May 11, 2023)
10.25	Engagement Letter dated March 22, 2023, between AVITA Medical, Inc. and Mr. Robert McNamara (incorporated by reference to Exhibit 10.1 on Form 8K issued March 27, 2023)
10.26	Warrant Certificate, dated October 18, 2023, by and between the Company, and OrbiMed Royalty & Credit Opportunities IV, LP (incorporated by reference to Exhibit 4.1 to the registrant's Form 8-K filed on October 18, 2023)
10.27	Credit Agreement, dated October 18, 2023, by and between the Company, as borrower, and ORCO IV LLC as lender and administrative agent (incorporated by reference to Exhibit 10.1 to the registrant's Form 8-K filed on October 18, 2023)
10.28	Pledge and Security Agreement, dated October 18, 2023, by and among the Company, the guarantors party thereto and ORCO IV LLC (incorporated by reference to Exhibit 10.2 to the registrant's Form 8-K filed on October 18, 2023)
10.29	Lease Agreement between the registrant and Hartco Ventura Inc. dated December 6, 2023 (incorporated by reference to Exhibit 10.30 to the registrant's Form 10-K filed on February 22, 2024)
10.30	Amendment One to Employment Agreement between the registrant and David O'Toole, dated August 9, 2023 (incorporated by reference to Exhibit 10.33 to the registrant's Form 10-K filed on February 22, 2024) †

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Exhibit Number	Exhibit Description
10.31	Waiver and First Amendment to Orbimed Credit Agreement (incorporated by reference to Exhibit 10.34 to the registrant's Form 10-K filed on February 22, 2024)
10.32	Trademark Security Agreement (incorporated by reference to Exhibit 10.35 to the registrant's Form 10-K filed on February 22, 2024)
10.33	Supplement to Guarantee (incorporated by reference to Exhibit 10.36 to the registrant's Form 10-K filed on February 22, 2024)
10.34	Patent Security Agreement (incorporated by reference to Exhibit 10.37 to the registrant's Form 10-K filed on February 22, 2024)
10.35	Supplement to Pledge and Security Agreement (incorporated by reference to Exhibit 10.38 to the registrant's Form 10-K filed on February 22, 2024)
10.36	Security Trust Deed (incorporated by reference to Exhibit 10.39 to the registrant's Form 10-K filed on February 22, 2024)
10.37	Specific security Deed (marketable securities) (incorporated by reference to Exhibit 10.40 to the registrant's Form 10-K filed on February 22, 2024)
10.38	General Security Deed (incorporated by reference to Exhibit 10.41 to the registrant's Form 10-K filed on February 22, 2024)
10.39	Exclusive Distribution Agreement between the registrant and PolyMedics Innovation GmbH (incorporated by reference to Exhibit 10.42 to the registrant's Form 10-K filed on February 22, 2024)
10.40	Exclusive Distribution Agreement between the registrant and Stedical Scientific, Inc, dated January 10, 2024 (incorporated by reference to Exhibit 10.1 on Form 10-Q issued May 13, 2024)
10.41	Second Amendment to Lease Agreement between the registrant and Hartco Ventura Inc. dated January 1, 2024 (incorporated by reference to Exhibit 10.2 on Form 10-Q issued May 13, 2024)
10.42	Amendment of Solicitation/Modification of Contract dated February 16, 2024 by and between the registrant and BARDA (incorporated by reference to Exhibit 10.3 on Form 10-Q issued May 13, 2024)
10.43	Exclusive Development and Distribution Agreement between the registrant and Collagen Matrix, Inc. dba Regenity Biosciences dated July 31, 2024 (incorporated by reference to Exhibit 10.1 on Form 10-Q issued November 7, 2024)
10.44	Executive Employment Agreement between the registrant and Nicole Kelsey dated June 28, 2024 (incorporated by reference to Exhibit 10.2 on Form 10-Q issued November 7, 2024) †
10.45	Separation Agreement and Release between the registrant and Donna Shiroma dated June 28, 2024 (incorporated by reference to Exhibit 10.3 on Form 10-Q issued November 7, 2024) †
10.46	First Amendment to Lease Agreement between the registrant and Hartco Ventura Inc. dated September 12, 2024 (incorporated by reference to Exhibit 10.4 on Form 10-Q issued November 7, 2024)
10.47	First Amendment to Lease Agreement between the registrant and Hartco Ventura Inc. dated November 5, 2020 (incorporated by reference to Exhibit 10.47 to the registrant's Form 10-K filed on February 13, 2025)
10.48	Second Amendment to OrbiMed Credit Agreement dated May 28, 2024 (incorporated by reference to Exhibit 10.48 to the registrant's Form 10-K filed on February 13, 2025)
10.49	Third Amendment to Orbimed Credit Agreement dated November 7, 2024 (incorporated by reference to Exhibit 10.49 to the registrant's Form 10-K filed on February 13, 2025)
10.50	Fourth Amendment to the Credit Agreement between the Lender and the registrant, dated February 13, 2025 (incorporated by reference to Exhibit 10.1 of the registrant’s Form 8-K filed on February 13, 2025)
10.51	Contract Manufacturing Agreement between the registrant and Stedical Scientific, Inc. dated March 17, 2025 (incorporated by reference to Exhibit 10.1 of the registrant’s Form 8-K filed on March 17, 2025)
10.52	Amendment Two to the Exclusive Distribution Agreement between the registrant and Stedical Scientific, Inc. dated March 17, 2025 (incorporated by reference to Exhibit 10.2 of the registrant’s Form 8-K filed on March 17, 2025)
10.53	Waiver to the Credit Agreement between the Lender and the registrant, dated March 31, 2025 (incorporated by reference to Exhibit 10.4 of the registrant’s Form 10-Q filed on May 8, 2025)
10.54	Third Amendment to Lease Agreement between the registrant and Hartco Ventura Inc., dated April 1, 2025 (incorporated by reference to Exhibit 10.1 of the registrant’s Form 10-Q filed on August 7, 2025)
10.55	2020 Omnibus Incentive Plan Amended and Restated (incorporated by reference to Annexure A of the registrant’s DEF14A filed on April 22, 2025) †

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Exhibit Number	Exhibit Description
10.56	Waiver to the Credit Agreement between the Lender and the registrant, dated June 30, 2025 (incorporated by reference to Exhibit 10.3 of the registrant's Form 10-Q filed on August 7, 2025)
10.57	Offer Letter between the registrant and Dr. Michael Tarnoff, dated May 27, 2025 (incorporated by reference to Exhibit 10.1 of the registrant's Form 8-K filed on August 6, 2025) †
10.58	Waiver and Fifth Amendment to the Credit Agreement between the Lender and the registrant, dated August 7, 2025 (incorporated by reference to Exhibit 10.1 of the registrant's Form 8-K filed on August 7, 2025)
10.59	Second Amendment to Lease Agreement between the registrant and Hartco Ventura Inc. dated September 4, 2025 (incorporated by reference to Exhibit 10.3 of the registrant's Form 10-Q filed on September 6, 2025)
10.60	Executive Employment Agreement between the registrant and Cary Vance, dated October 16, 2025 (incorporated by reference to Exhibit 10.4 of the registrant's Form 10-Q filed on September 6, 2025) †
10.61	Waiver to Credit Agreement between the Lender and the registrant, dated October 18, 2025 (incorporated by reference to Exhibit 10.5 of the registrant's Form 10-Q filed on September 6, 2025)
10.62	Waiver and Sixth Amendment to the Credit Agreement between the Lender and the registrant, dated November 5, 2025 (incorporated by reference to Exhibit 10.1 of the registrant's Form 8-K filed on November 6, 2025)
10.63	Separation and Release Agreement between the registrant and James Corbett, dated October 16, 2025 † * **
10.64	Amendment One to Exclusive Development and Distribution Agreement**
19	AVITA Medical, Inc. Insider Trading Policy **
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 ***
97.1	Incentive-Based Compensation Recovery Policy † **
99.1	Australian Disclosure Matters for FY 2025 **
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
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
*** Furnished herewith

Item 16. Form 10-K Summary

None

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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: February 12, 2026

/s/ Cary Vance
Cary Vance
Interim Chief Executive Officer (Principal Executive Officer)

Date: February 12, 2026

/s/ David O'Toole
David O'Toole
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/ Cary Vance Cary Vance	Interim Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	February 12, 2026
/s/ David O'Toole David O'Toole	Chief Financial Officer (Principal Financial and Accounting Officer)	February 12, 2026
/s/ Jan Stern Reed Jan Stern Reed	Lead Independent Director	February 12, 2026
/s/ Jeremy Curnock Cook Jeremy Curnock Cook	Director	February 12, 2026
/s/ Professor Suzanne Crowe Suzanne Crowe	Director	February 12, 2026
/s/ Robert McNamara Robert McNamara	Director	February 12, 2026
/s/ Dr. Michael Tarnoff Michael Tarnoff	Director	February 12, 2026
/s/ Joe Woody Joe Woody	Director	February 12, 2026

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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 December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive loss, stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has current debt service obligations and has incurred historical negative cash flows and recurring losses. These conditions, along with other matters as set forth in Note 1, raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated 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.

Critical audit matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there were no critical audit matters.

/s/ GRANT THORNTON LLP

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

Newport Beach, California
February 12, 2026

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

	As of	
	December 31, 2025	**December 31, 2024**
ASSETS		
Cash and cash equivalents	$ 10,243	$ 14,050
Marketable securities	7,942	21,835
Accounts receivable, net	9,086	11,786
Prepaids and other current assets	1,293	2,060
Inventory	6,926	7,269
Total current assets	35,490	57,000
Plant and equipment, net	8,630	10,018
Operating lease right-of-use assets	2,899	3,571
Corporate-owned life insurance (“COLI”) asset	3,116	3,006
Intangible assets, net	5,645	5,570
Other long-term assets	612	546
Total assets	$ 56,392	$ 79,711
LIABILITIES, NON-QUALIFIED DEFERRED COMPENSATION PLAN SHARE AWARDS AND STOCKHOLDERS’ EQUITY (DEFICIT)		
Accounts payable and accrued liabilities	$ 8,959	$ 6,294
Accrued wages and fringe benefits	7,813	10,451
Loan facility	42,984	-
Current non-qualified deferred compensation (“NQDC”) liability	276	2,094
Other current liabilities	2,645	1,319
Total current liabilities	62,677	20,158
Loan facility - long-term	-	42,245
Non-qualified deferred compensation liability	3,697	2,969
Contract liabilities	290	324
Operating lease liabilities, long-term	2,135	2,840
Contingent liability, long-term	3,000	3,000
Warrant liabilities	1,243	3,432
Total liabilities	73,042	74,968
Non-qualified deferred compensation plan share awards	-	244
Commitments and contingencies (Note 11)		
Stockholders' equity (deficit):		
Common stock, $0.0001 par value per share, 200,000,000 shares authorized, 30,571,662 and 26,354,042, shares issued and outstanding at December 31, 2025 and December 31, 2024, respectively	3	3
Preferred stock, $0.0001 par value per share, 10,000,000 shares authorized, no shares issued or outstanding at December 31, 2025 and December 31, 2024	-	-
Company common stock held by the non-qualified deferred compensation plan	(1,293)	(1,319)
Additional paid-in capital	394,408	367,568
Accumulated other comprehensive loss	(1,367)	(1,939)
Accumulated deficit	(408,401)	(359,814)
Total stockholders’ equity (deficit)	(16,650)	4,499
Total liabilities, non-qualified deferred compensation plan share awards and stockholders’ equity (deficit)	$ 56,392	$ 79,711

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	
	December 31, 2025	**December 31, 2024**
Sales revenue	$ 70,879	$ 63,893
Lease revenue	731	358
Total revenues	71,610	64,251
Cost of sales	(12,794)	(9,094)
Gross profit	58,816	55,157
Operating expenses:		
Sales and marketing	(53,138)	(58,195)
General and administrative	(27,373)	(33,195)
Research and development	(20,839)	(20,360)
Total operating expenses	(101,350)	(111,750)
Operating loss	(42,534)	(56,593)
Interest expense	(5,004)	(5,361)
Other (expense) income, net	(1,038)	163
Loss before income taxes	(48,576)	(61,791)
Income tax expense	(11)	(54)
Net loss	$ (48,587)	$ (61,845)
Net loss per common share:		
Basic and diluted	$ (1.74)	$ (2.39)
Weighted-average common shares:		
Basic and diluted	27,860,784	25,883,056

The accompanying notes form part of the consolidated financial statements

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

	Year Ended	
	December 31, 2025	**December 31, 2024**
Net loss	$ (48,587)	$ (61,845)
Change in fair value due to credit risk on loan facility	582	30
Net unrealized loss on marketable securities	(10)	(82)
Comprehensive loss	$ (48,015)	$ (61,897)

The accompanying notes form part of the consolidated financial statements

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

	Common Stock						
	Shares	Amount	Company common stock held by the NQDC Plan	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity (Deficit)
Balance at December 31, 2023	**25,682,078**	**$ 3**	**$ (1,130)**	**$ 350,039**	**$ (1,887)**	**$ (297,969)**	**$ 49,056**
Net loss	-	-	-	-	-	(61,845)	(61,845)
Stock-based compensation	-	-	-	13,419	-	-	13,419
Vesting of restricted stock units	99,905	-	-	-	-	-	-
Exercise of stock options	352,208	-	-	2,135	-	-	2,135
ESPP purchase	171,224	-	-	1,373	-	-	1,373
Distribution/diversification of Company common stock held by the NQDC Plan	-	-	245	76	-	-	321
Vesting of Company common stock held by the NQDC Plan	48,627	-	(434)	434	-	-	-
Change in redemption value of share awards in NQDC Plan	-	-	-	92	-	-	92
Net unrealized loss on marketable securities	-	-	-	-	(82)	-	(82)
Change in fair value due to credit risk on long-term debt	-	-	-	-	30	-	30
Balance at December 31, 2024	26,354,042	$ 3	$ (1,319)	$ 367,568	$ (1,939)	$ (359,814)	$ 4,499
Net loss	-	-	-	-	-	(48,587)	(48,587)
Issuance of common stock under private placement	3,440,377	-	-	14,792	-	-	14,792
Issuance costs associated with private placement	-	-	-	(1,058)	-	-	(1,058)
Issuance of common stock related to debt amendment	400,000	-	-	2,152	-	-	2,152
Stock-based compensation	-	-	-	9,495	-	-	9,495
Vesting of restricted stock units	85,707	-	-	-	-	-	-
Exercise of stock options	74,725	-	-	407	-	-	407
ESPP purchase	193,338	-	-	795	-	-	795
Distribution/diversification of Company common stock held by the NQDC Plan	-	-	205	(12)	-	-	193
Vesting of Company common stock held by the NQDC Plan	23,473	-	(179)	179	-	-	-
Change in redemption value of share awards in NQDC Plan	-	-	-	90	-	-	90
Net unrealized loss on marketable securities	-	-	-	-	(10)	-	(10)
Change in fair value due to credit risk on loan facility	-	-	-	-	582	-	582
Balance at December 31, 2025	30,571,662	$ 3	$ (1,293)	$ 394,408	$ (1,367)	$ (408,401)	$ (16,650)

The accompanying notes form part of the consolidated financial statements

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

	Year Ended	
	December 31, 2025	**December 31, 2024**
Cash flow from operating activities:		
Net loss	$ (48,587)	$ (61,845)
Adjustments to reconcile net loss to net cash used in operating activities:		
Fair value of common stock issued related to loan amendment	2,152	-
Change in fair value of loan facility	1,322	2,463
Change in fair value of warrant liability	(2,189)	274
Depreciation and amortization	2,347	1,126
Stock-based compensation	9,519	13,496
Non-cash lease expense	890	843
Loss on fixed asset disposal	595	107
Loss on patent disposal	11	16
Remeasurement and foreign currency transaction loss	17	21
Excess and obsolete inventory related charges	810	487
Provision for credit losses	(10)	23
Amortization of premium of marketable securities	(308)	(1,674)
Non-cash changes in the fair value of NQDC plan	(1,203)	402
Changes in operating assets and liabilities:		
Trade and other receivables	3,633	(4,145)
Prepaids and other current assets	766	(371)
Inventory	(468)	(2,160)
Operating lease liability	(905)	(906)
Corporate-owned life insurance ("COLI") asset	406	(271)
Other long-term assets	(65)	(191)
Accounts payable and accrued expenses	2,745	340
Accrued wages and fringe benefits	(2,638)	2,479
Current non-qualified deferred compensation liability	(1,802)	1,785
Other current liabilities	(81)	122
Non-qualified deferred compensation plan liability	1,881	(1,327)
Contract liabilities	(33)	(33)
Net cash used in operating activities	(31,195)	(48,939)
Cash flow from investing activities:		
Purchase of marketable securities	(13,309)	(24,504)
Maturities of marketable securities	27,500	71,200
Purchase of plant and equipment	(1,005)	(9,171)
Capitalized software development costs	(635)	-
Patent filing fees	(99)	(162)
Net cash provided by investing activities	12,452	37,363
Cash flow from financing activities:		
Proceeds from private placement of common stock	14,792	-
Issuance costs associated with private placement	(1,058)	-
Proceeds from exercise of stock options	407	2,135
Employee stock purchase plan ("ESPP") purchases	795	1,373
Net cash provided by financing activities	14,936	3,508
Net decrease in cash and cash equivalents	(3,807)	(8,068)
Cash and cash equivalents beginning of the period	14,050	22,118
Cash and cash equivalents end of the period	$ 10,243	$ 14,050
Supplemental Disclosure of Cash Flow Information:		
Income taxes paid during the period	$ 15	$ 41
Interest paid during the period	$ 4,980	$ 5,359
Non-cash investing activities:		
Intangible asset purchase not yet paid	$ -	$ 5,000
Capital expenditures not yet paid	$ 17	$ 115
Right-of-use-asset obtained in exchange for lease liabilities	$ 235	$ 2,043

The accompanying notes form part of the consolidated financial statements

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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

AVITA Medical, Inc. and its subsidiaries (collectively, "AVITA Medical" or the "Company") is a leading therapeutic acute wound care company delivering transformative solutions. The Company's technologies are designed to optimize wound healing, effectively accelerating the time to patient recovery. The Company's solutions improve the healing outcomes for patients with traumatic injuries and surgical repairs, addressing critical healing needs that arise from unpredictable and life-changing events. At the forefront of the Company's portfolio is the patented and proprietary RECELL® System ("RECELL System" or "RECELL"), approved by the U.S. Food and Drug Administration (the "FDA") for the treatment of thermal burn wounds and full-thickness skin defects. RECELL harnesses the healing properties of a patient's own skin to create an autologous skin cell suspension, Spray-On Skin™ Cells, offering an innovative solution for improved clinical outcomes at the point-of-care.

The single-use RECELL Autologous Cell Harvesting Device ("RECELL Ease-of-Use" or "RECELL EOU") is approved by the FDA for the treatment of thermal burn wounds and full-thickness skin defects. The Company's next-generation device, RECELL GO™ Autologous Cell Harvesting Device ("RECELL GO"), was approved by the FDA in May of 2024 to treat thermal burn wounds and full-thickness skin defects. RECELL GO introduces enhanced features that improve consistency and standardization across clinical settings. It consists of two components: a multi-use, AC-powered RECELL GO Processing Device (the "RPD") and a RECELL GO Preparation Kit (the "RPK"). The RPK contains the single-use RECELL GO Cartridge, disaggregation head, RECELL Enzyme™, and other components. The RPD provides the control for the RPK, manages the pressure applied to disaggregate the donor skin cells, and precisely regulates the incubation times of the RECELL Enzyme and solutions to optimize cell yield and promote cell viability.

RECELL GO mini™Autologous Cell Harvesting Device ("RECELL GO mini"), which was approved by the FDA in December of 2024, is a line extension of RECELL GO, designed specifically to treat smaller wounds up to 480 cm^2. It utilizes the same RPD but features a RECELL GO mini Preparation Kit (the "mini RPK"), which includes a single-use RECELL GO mini Cartridge optimized for smaller skin samples. These modifications are intended to align with the needs of clinicians treating smaller wounds, and to support broader adoption of the RECELL GO platform in trauma centers.

The Company holds the rights to manufacture, market, sell, and distribute PermeaDerm®, a biosynthetic wound matrix, in the United States under the terms of an exclusive multi-year distribution agreement (the "Distribution Agreement") and a contract manufacturing agreement (the "Manufacturing Agreement") with Stedical Scientific, Inc. ("Stedical"). The Company also holds the rights to market, sell, and distribute Cohealyx™, a unique collagen-based dermal matrix, under the terms of an exclusive multi-year development and distribution agreement (the "Regenity Agreement") with Collagen Matrix, Inc. dba Regenity Biosciences ("Regenity"). Under the terms of the Regenity Agreement, Regenity manufactures and supplies Cohealyx and the Company holds the exclusive marketing, sales, and distribution rights to this product under its private label in the U.S., and potentially in countries in the European Union, as well as in Australia and Japan. See Note 12 to the Consolidated Financial Statements for additional information regarding the Company's commitments with Stedical and Regenity.

Liquidity, Capital Resources and Going Concern

The Company's Consolidated Financial Statements have been prepared on the basis of the Company continuing as a going concern for the next twelve months. The Company has incurred operating losses and negative cash flows from operations since its inception and has an accumulated deficit of $408.4 million as of December 31, 2025. For the years ended December 31, 2025 and 2024, the Company used $31.2 million and $48.9 million of cash, respectively, in its operating activities. As of December 31, 2025, the Company had cash, cash equivalents, and marketable securities of $18.2 million. Historically, the Company has funded its operations principally through the sales of its products, issuance of equity securities, and debt financing.

On August 12, 2025, the Company completed a private placement (the "Placement") on the Australian Securities Exchange ("ASX") to institutional and professional investors to raise gross proceeds of $14.8 million, or $13.8 million after deducting sales commissions and offering expenses, through the issuance of 17,201,886 CHESS Depositary Interests ("CDIs") on the ASX, which is the equivalent of 3,440,377 shares of Common stock. Proceeds of the Placement will be used for working capital requirements and will provide additional strategic flexibility to support continued growth of the Company's therapeutic acute wound portfolio.

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Subsequent to December 31, 2025, on January 13, 2026 (the "Perceptive Closing Date"), the Company entered into a Credit Agreement and Guaranty (the "Perceptive Credit Agreement"), and Security Agreement (the "Security Agreement"), by and among the Company, as borrower, Avita Medical Americas, LLC, a wholly-owned subsidiary of the Company, as guarantor (the "Guarantor," taken together with the Company, the "Obligors") and Perceptive Credit Holdings V, LP as a lender and the administrative agent ("Perceptive"). The Perceptive Credit Agreement provides for a five-year senior secured credit facility in an aggregate principal amount of up to $60 million (the "Perceptive Loan Facility"), of which (i) $50 million was funded on the Perceptive Closing Date (the "Perceptive Initial Commitment Amount") and (ii) $10 million will be made available, at our discretion by notice to Perceptive on or before March 31, 2027, subject to satisfaction of a certain net revenue requirement (the "Additional Commitment Amount"). On the Perceptive Closing Date, the Company closed on the Perceptive Initial Commitment Amount, less certain fees and expenses payable to or on behalf of Perceptive.

Simultaneously with the closing of the Perceptive Initial Commitment Amount, the Company repaid in full and terminated all of its obligations and commitments (the "Refinancing Transaction") under the Previous Credit Agreement as defined in Note 6 to the Consolidated Financial Statements. As a result, the Company and the guarantors under the Previous Credit Agreement have no further obligations under the Previous Credit Agreement or the related guarantees other than with respect to the warrants previously issued under the Previous Credit Agreement, which remain outstanding. The Company received total net proceeds after the Refinancing Transaction of $6.0 million.

Pursuant with the terms of the Previous Credit Agreement, as of December 31, 2025, the Company was required to maintain compliance with a minimum of $10 million cash balance covenant within the next twelve months following the date of issuance of these Consolidated Financial Statements. Should such situation had arisen, the Lender (as defined in Note 6 to the Consolidated Financial Statements) could have exercised its right to accelerate repayment of the previously outstanding debt. As discussed above, the Company is no longer subject to those covenants due to the Refinancing Transaction.

As a result of the Refinancing Transaction and pursuant to the terms of the Perceptive Credit Agreement, the minimum cash balance covenant the Company is required to maintain compliance with has been lowered to $5 million. In addition, there is no right to accelerate repayment of the outstanding debt due to the Company's Quarterly Reports on Form 10-Q containing any qualification or statement which is of a "going concern" or similar nature during the year ending December 31, 2026.

Based on the Company's liquidity position and the Company's current forecast of operating results and cash flows, management determined there is substantial doubt about the Company's ability to continue as a going concern over the next twelve months following the date of issuance of these Consolidated Financial Statements due to the Company's debt repayment obligations, historical negative cash flows, and recurring losses. As a result, the Company may require additional liquidity to continue its operations over the next twelve months.

As a result of this conclusion, and due to the Company's current debt servicing obligations, the long-term portion of the credit facility has been classified as a current liability in the accompanying Consolidated Financial Statements as of December 31, 2025.

The Company continues to evaluate strategies to obtain additional funding for future operations. These strategies include, but are not limited to, requesting the Additional Commitment Amount from Perceptive, or obtaining additional equity financing. However, there can be no assurance that such funding will be available to the Company when needed, either on favorable terms or at all. The Company's Consolidated Financial Statements do not include any adjustments to the carrying amount of assets, liabilities, and reported expenses that may be necessary if the Company were unable to continue as a going concern.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated upon consolidation.

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures.* The amendments affected by this ASU require (i) enhanced disclosures in connection with an entity's effective tax rate reconciliation and (ii) income taxes paid disaggregated by jurisdiction. These amendments are effective for annual periods beginning after December 15, 2024. The Company adopted this ASU for the year ended December 31, 2025 prospectively applied to its Consolidated Financial Statements and disclosures. For further details refer to Note 15 to the Consolidated Financial Statements.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement - Reporting Comprehensive Income (Topic 220): Expense Disaggregation Disclosures*, which requires disaggregated disclosures of certain costs and expenses in the notes to financial statements. This guidance will be effective for annual reporting periods beginning after December 15, 2026, and for interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of adopting this ASU on its Consolidated Financial Statements and disclosures.

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, which addresses changes in software development methods and increases the operability of the recognition guidance for improved financial reporting. This guidance is effective for annual reporting periods beginning after December 15, 2027, and for interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact of adopting this ASU on its Consolidated Financial Statements and disclosures.

Use of Estimates

The preparation of the accompanying Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts (including the stand-alone selling price (“SSP”) for the RPD, allowance for credit losses, reserves for inventory excess and obsolescence, carrying value of long-lived assets, the useful lives of long-lived assets, accounting for marketable securities, income taxes, fair value of debt, fair value of warrants and stock-based compensation) and related disclosures. Estimates have been prepared based on 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 loss in the Consolidated Balance Sheets.

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 and nonmonetary assets and liabilities at historical rates. Gains and losses resulting from these remeasurements are included in earnings in the Consolidated Statement of Operations. Gains and losses for remeasurement were minimal for the years-ended December 31, 2025 and 2024.

The Company records certain revenues and operating expenses in foreign currencies. These revenues and expenses are translated into U.S. Dollars based on the average exchange rate for the reporting period. Assets and liabilities denominated in foreign currencies are translated into U.S. Dollars at the exchange rate in effect as of the balance sheet date. For the years-ended December 31, 2025 and 2024, the Company incurred losses of approximately $17,000 and $21,000, respectively, included in Other income, net in the Consolidated Statement of Operations.

Comprehensive Loss

The components of comprehensive loss consist of net loss, unrealized gains and losses in investments available for sale and changes in fair value due to instrument-specific credit risk on the debt.

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Revenue Recognition

The Company generates revenues primarily from:

- The sale of RECELL EOU, RPK and mini RPK (collectively, the "RPKs"), PermeaDerm, and Cohealyx products to hospitals, other treatment centers, and distributors.
- Lease revenue for the RPD.

The Company's sale of the RECELL EOU, PermeaDerm, and Cohealyx products are accounted for under ASC 606, *Revenue from contracts with customers* ("ASC 606"). Revenue for the RECELL System is disaggregated between two accounting standards: (1) ASC 606 for the RPKs and (2) ASC 842, *Leases* ("ASC 842") for the RPD.

To determine revenue recognition for contracts that are within the scope of ASC 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 a performance obligation(s) is(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. The Company then assesses the goods or services promised within the contract to determine whether each promised good or service is a performance obligation. Performance obligations are promises in a contract to transfer a distinct good or service to the customer that (i) the customer can benefit from on its own or together with other readily available resources, and (ii) is separately identifiable from other promises in the contract.

The Company determines the transaction price based on the amount of consideration the Company expects to receive for providing the promised goods or services in the contract. Consideration may be fixed, variable, or a combination of both. At contract inception for arrangements that include variable consideration, the Company estimates the probability and extent of consideration it expects to receive under the contract utilizing either the most likely amount method or expected amount method, whichever best estimates the amount expected to be received. The Company then considers any constraints on the variable consideration and includes in the transaction price variable consideration to the extent it is deemed probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

When accounting for a contract that contains multiple performance obligations, the Company must develop judgmental assumptions to determine the estimated SSP for each performance obligation identified in the contract. The Company utilizes the observable SSP when available, which represents the price charged for the promised product or service when sold separately. When the SSP for the Company's products or services are not directly observable, the Company determines the SSP using relevant information available and apply suitable estimation methods including, but not limited to, the cost-plus margin approach. The Company then allocates the transaction price to each performance obligation based on the relative SSP and recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) control is transferred to the customer and the performance obligation is satisfied.

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. Revenue is recognized net of volume discounts (variable consideration). For the Company's contracts that have an original duration of one year or less, since contract inception and customer payment occur within the same period the Company 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 acquisition costs such as commissions and shipping and handling expenses as incurred.

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Revenue recognition for contracts that are within the scope of ASC 606 and ASC 842

The Company enters into contracts with customers where it receives consideration for the RPKs and does not receive additional consideration for the RPD. As a result, judgment and analysis are required to determine the appropriate accounting, including: (i) whether the arrangement contains an embedded lease, and if so, whether such embedded lease is a sales-type lease or an operating lease, (ii) the amount of the total consideration, as well as variable consideration, (iii) the identification of the distinct performance obligations contained within the arrangement, (iv) how the arrangement consideration should be allocated to each performance obligation when multiple performance obligations exist, including the determination of standalone selling price, and (v) when to recognize revenue on the performance obligations.

For these contracts the Company considers the guidance under ASC 842 to determine if furnishing the RPD to the customer during the period of use establishes an embedded lease. To determine if the contract contains a lease, the Company evaluates the customer's rights and ability to control the use of the underlying equipment throughout the contract term, including any equipment substitution rights retained by the Company. As the contract conveys the right to control the use of an identified asset for a period of time, the contract was determined to contain a lease. The Company then evaluated the lease classification based on the below:

- Pursuant to ASC 842-30, the Company will classify a lease as a sales-type lease if: (i) the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, (ii) the lease grants the lessee an option to purchase the underlying asset that the lessee is reasonably certain to exercise, (iii) the lease term is for the major part of the remaining economic life of the underlying asset, (iv) the present value of the sum of the lease payments and any residual value guaranteed by the lessee that is not already reflected in the lease payments equals or exceeds substantially all (90% or more) of the fair value of the underlying asset, or (v) the underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term.
- Pursuant to ASC 842-30, when none of the sales-type lease classification criteria are met, a lessor would classify the lease as a direct financing lease when both of the following criteria are met: (i) the present value of the sum of the lease payments and any residual value guaranteed by the lessee that is not already reflected in the lease payments and/or any other third party unrelated to the lessor equals or exceeds substantially all (90% or more) of the fair value of the underlying asset and (ii) it is probable that the lessor will collect the lease payments plus any amount necessary to satisfy a residual value guarantee.
- Pursuant to ASC 842-30, a lessor would classify a lease as an operating lease when none of the sales-type or direct financing lease classification criteria are met. Further, per ASC 842, a lessor is required to classify a lease with variable lease payments that do not depend on an index or rate as an operating lease at lease commencement if the lease would have been classified as a sales-type lease or a direct financing lease in accordance with the classification criteria of ASC 842 and the lessor would have otherwise recognized a loss at the lease commencement date.

In determining whether the lease components are related to a sales-type lease or an operating lease, the Company evaluates if the lease transfers ownership at the end of the lease term, the existence of purchase options, the lease term in relation to the economic life of the asset, if the lease payments exceed the fair value of the asset, and if the asset is of a specialized nature. The Company also evaluates if the lease results in a loss at the lease commencement date. As the lease term for the RPD is for a major part of the economic life of the asset, the lease meets the classification criteria for sales-type lease. However, to determine if the contract results in a loss at the lease commencement date the Company evaluated the consideration in the contract. The consideration at lease commencement does not contain fixed payments, purchase options, penalty payments or residual value guarantees. The variable consideration is related to the sale of the RPKs. As the variable lease payments are not dependent on an index or rate, the variable lease payments are excluded from consideration at contract inception resulting in a loss at lease commencement. As such, the Company classifies the lease as an operating lease.

The contracts contain an operating lease component, the RPD, and non-lease components, the RPKs. The lease component will be accounted for under ASC 842 and the non-lease component will be accounted for under ASC 606, as described above. In accordance with ASC 842, the consideration in the contract will be allocated to each separate lease component and non-lease component of the contract. The consideration is allocated to these lease and non-lease components based on the SSP (as described above for contracts within the scope of ASC 606). In accordance with ASC 842, variable lease payments will be recognized once the sale of the RPKs occurs and control has transferred to the customer. Consideration will be allocated to the RPD and the RPKs based on the SSP. Consideration related to the RPD will be recognized as Lease revenue and consideration related to the RPKs will be recognized as Sales revenues in accordance with guidance in ASC 606, as described above, upon transfer of control of the RPKs, which generally occurs at the time the product is shipped or delivered depending on the customer's shipping terms.

Assets in the Company's lease program are reported in Plant and equipment, net on the Consolidated Balance Sheets and are depreciated over the useful life of the RPD device's 200 uses, as indicated in the Instructions for Use that were approved by the FDA, and expensed as Costs of goods sold in the Consolidated Statements of Operations. The RPD depreciation has a direct relationship to the number of RPKs sold. Based on customer usage, each purchase of an RPK results in a 1/200 depreciation to the RPD.

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 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 Sheets.

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

Cash and cash equivalents consists of cash held at deposit institutions, money market funds and short-term highly liquid investments with original maturities of three months or less from the date of purchase. As of December 31, 2025 and 2024, the Company holds cash at deposit institutions in the amount of $1.8 million and $2.3 million, respectively. The Company holds no cash denominated in foreign currencies in foreign institutions as of December 31, 2025 and 2024. As of December 31, 2025 and 2024, the Company held cash equivalents in the amount of $8.4 million and $11.7 million, respectively.

Concentrations

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, marketable securities, trade receivables, BARDA receivables and other receivables. As of December 31, 2025 and 2024, substantially all of the Company's cash was deposited in accounts at financial institutions, and those deposited amounts may exceed federally insured limits and are subject to the risk of bank failure.

As of December 31, 2025, no customer accounted for more than 10% of accounts receivable. As of December 31, 2024, two commercial customers accounted for more than 10% of accounts receivable. Customer A accounted for 21% and Customer B for 11% of accounts receivable. For the years-ended December 31, 2025 and 2024, no single commercial customer accounted for more than 10% of total revenues.

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Fair Value of Financial Instruments

Certain assets and liabilities are carried at fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

Level 1 — Quoted prices in active markets for identical assets or liabilities.

Level 2 — Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. For further details refer to Note 4 to the Consolidated Financial Statements.

At December 31, 2025 and 2024, the Company's financial instruments included cash, accounts payable, accrued expenses, long-term debt and warrant liabilities. The carrying amounts of accounts payable and accrued expenses approximate fair value due to the short-term maturities of these instruments.

Loan Facility

The Company elected the fair value option ("FVO") of accounting under ASC 825-10, *Financial Instruments* ("ASC 825"), to record the loan facility at fair value at issuance and subsequently remeasures to fair value each reporting period. The Company elected the FVO option of accounting of ASC 825 for the debt from the issuance date in order to not have to bifurcate any embedded derivatives in accordance with ASC 815, *Derivatives and Hedging – Contracts in Entity's Own Equity* ("ASC 815"). The loan facility accounted for under the FVO represents a financial instrument containing embedded features which would otherwise be required to be bifurcated from the debt-host and recognized as separate derivative liabilities subject to initial and subsequent periodic estimated fair value measurements under ASC 815. The Company has elected to present interest expense separately from changes in fair value and therefore will present interest expense associated with the debt as Interest expense in the Consolidated Statement of Operations. Any changes in fair value caused by instrument-specific credit risk are presented separately in Accumulated other comprehensive loss in the Consolidated Balance Sheets. Changes in fair value attributable to changes in credit risk are determined using observable option adjusted spreads for the issuer or comparable companies with similar credit ratings. All costs associated with the issuance of the Previous Credit Agreement accounted for using the FVO were expensed upon issuance. The fair value of the loan facility is determined using a Monte Carlo Simulation and classified as Level 3 in the fair value hierarchy. For further details refer to Note 4 to the Consolidated Financial Statements.

Presentation and Valuation of the Warrants

Warrants are accounted for as liabilities in accordance with ASC 815-40 and are presented within Warrant liabilities on the Consolidated Balance Sheets. The initial fair value of the warrant liability is measured at fair value at the date of issuance and is remeasured at each reporting date until settlement. Changes in the fair value of the warrant liability are recognized in Other income, net in the Consolidated Statement of Operations.

The Company established the fair value of the $10.218 Warrants (as defined in Note 4 to the Consolidated Financial Statements) utilizing the Black-Scholes pricing model. Assumptions used in the valuation are the price of the company stock, expected share-price volatility, expected term, risk-free interest rate and dividend yield. The Company estimates the volatility based on historical volatility that matches the expected remaining life of the warrants. The expected term of the warrants is assumed to be equivalent to their remaining contractual term. The dividend rate is based on the historical rate, which the Company anticipates to remain at zero. The $10.218 Warrants were classified as a Level 3 fair value measurement, due to the use of unobservable inputs. For further details refer to Note 4 to the Consolidated Financial Statements.

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Marketable Securities

The Company classifies all highly liquid investments with original maturities of three months or less from the date of purchase as cash equivalents and all highly liquid investments with stated maturities of greater than three months as marketable securities. The Company classifies marketable securities as short-term when they have remaining contractual maturities of one year or less from the balance sheet date, and as long-term when the investments have remaining contractual maturities of more than one year from the balance sheet date. Classification is determined at the time of purchase and re-evaluated each balance sheet date. Short-term marketable securities represent investment of cash available for current operations. The Company accounts for its marketable securities as available-for-sale securities.

All marketable securities, which consist of corporate debt securities, asset-backed securities, U.S treasury and commercial paper are denominated in the U.S. dollars, have been classified as "available-for-sale", and are carried at fair value. Unrealized gains and losses, net of any related tax effects, are excluded from earnings and are included in other comprehensive income (loss) and reported as a separate component of stockholders' equity until realized. Realized gains and losses on marketable securities are included in Other income, net, in the accompanying Consolidated Statements of Operations. The cost of any marketable securities sold is based on the specific identification method. The amortized cost of marketable securities is adjusted for amortization of premiums and accretion of discounts to maturity. Interest on marketable securities is included in Other income, net in the Consolidated Statements of Operations. In accordance with the Company's investment policy, management invests to diversify credit risk and only invests in securities with high credit quality, including U.S. government securities, and the maximum final maturity from the date of purchase is thirty-seven months.

If necessary, the Company will recognize an allowance for credit losses on available-for-sale debt securities on an individual basis, and will no longer consider other than-temporary impairment or immediately reduce the cost basis of the investment provided that it is more likely than not that the security will be held to recovery or maturity. Further, the Company will recognize any improvements in estimated credit losses on available-for-sale debt securities immediately in earnings and reduce the existing allowance for credit losses. The Company will disaggregate its available-for-sale marketable securities into the following categories: commercial paper, corporate debt, government and agency securities and money market funds. The Company's government and agency securities are U.S. treasury bonds, and U.S. agency bonds. The Company has analyzed government and agency securities and identified that both types of securities have similar risk characteristics in that they are traded infrequently and have contractual interest rates and maturity dates.

To evaluate for impairment, management reviews credit rating changes, securities trends, interest rate movements and unrealized loss at the security level of the Company's available-for-sale debt securities. If any of these give rise to a potential credit concern, the Company performs a discounted cash flow analysis to determine the credit portion of the impairment. The discounted cash flow analysis will be performed either internally or through the assistance of a qualified third party. Once the credit component of the impairment is determined, the Company will record the impaired amount as an allowance to the available-for-sale debt securities balance and as a charge to Other income, net in the accompanying Consolidated Statements of Operations, not to exceed the amount of the unrealized loss. The Company assesses expected credit losses at the end of each reporting period and adjusts the allowance through Other income, net.

Accounts Receivable

Accounts receivable are recorded net of customer allowances for expected credit losses. 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 December 31, 2025 and 2024, the allowance for expected credit losses was $61,000 and $71,000, respectively.

A rollforward of the activity in the Company's allowance for expected credit losses is as follows (in thousands):

	Year-ended	
	December 31, 2025	**December 31, 2024**
Balance at beginning of year	$ 71	$ 48
Additions: change to cost and expense	(10)	23
Deductions: write-offs, net of recovery	-	-
Balance at end of year	$ 61	$ 71

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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 standard cost, which approximates actual 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.

Lessee Right-of-Use Assets and Lease Liabilities

The Company has operating leases for corporate office space, manufacturing and warehouse facilities. The Company's operating leases have remaining lease terms of one year to five 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 Consolidated Balance Sheets.

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.

Plant and Equipment

The Company's 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. Depreciation for the leased RECELL GO RPD devices, which have a useful life of 200 uses, is computed based on customer usage as determined by the sales of RPK units. 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 technological feasibility 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 and a license initially measured at cost and amortized over estimated useful lives of approximately 2—19 years. The Company had capitalized patent and trademark costs of $0.8 million as of December 31, 2025 and 2024, related to regulatory approval of the RECELL System, and are being amortized over their estimated useful lives. The Company also had a capitalized license of $5.0 million as of December 31, 2025 and 2024, related to the Regenity Agreement and the 510(k) approval for Cohealyx. For further details see Note 12 to the Consolidated Financial Statements.

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. The Company did not have any impairments in long-lived assets for the year-ended December 31, 2025 and 2024.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of compensation and employee benefits of sales and marketing personnel and related field sales organization, marketing events, advertising costs, travel, trade shows and other marketing materials. The Company expenses all selling and marketing costs as incurred. Advertising expenses were $492,000 and $539,000 for the years-ended December 31, 2025 and 2024, 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 and restricted stock units ("RSU") 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 evaluated based on the number of shares ultimately expected to vest, evaluated each reporting period and based on management's expectations regarding the relevant performance criteria. The Black-Scholes option pricing model and Monte Carlo Simulation are used to estimate the fair value of the time-based and performance-based options, respectively. Under ASU 2016-09, *Compensation – Stock Compensation 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 historical volatility using daily intervals over the expected term.
- 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 share-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, with the first plan being established in 2016 which was primarily used for executive awards. Further, the Company does not have sufficient history of exercises in the U.S. market given the Company's redomiciliation from Australia to the United States in 2020. The expected term of options with a performance condition or market condition was set to the contractual term of 10 years. The contractual term was used for options with a performance or market condition as these are primarily awarded to executives and the Company assumes that they will hold them longer than rank and file employees.
- 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.

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Employee Stock Purchase Plan

The Company's Employee Stock Purchase Plan ("ESPP"), features two six-month offering periods per year, running from June 1 to November 30 and December 1 to May 31. The ESPP provides eligible employees with an opportunity to purchase shares of the Company's common stock through payroll deductions of up to 15% of their eligible compensation. Under the ESPP, employees can purchase the Company's Common stock at the lower of 85% of the fair value of shares on either the first or last day of the offering period. Amounts deducted and accumulated by the participant are recorded as ESPP liability and included in Accrued wages and fringe benefits in the Consolidated Balance Sheets. This amount is used to purchase shares of common stock at the end of each six-month purchase period. Once the shares are purchased, the ESPP liability is reclassified to stockholders' equity on the purchase date. The ESPP is a compensatory plan accounted for under the expense recognition provision of share-based payment accounting standards. Compensation expense is recorded based on the fair market value at the grant date, which corresponds to the first day of each purchase period. The Black-Scholes option pricing model is used to estimate the grant date fair value.

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, ESPP and warrants 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. In accordance with ASC 710-10, *Compensation – General* ("ASC 710"), shares of common stock held by the rabbi trust are excluded from the denominator in the basic and diluted EPS calculations.

Non-Qualified Deferred Compensation Plan Liability and Corporate-Owned Life Insurance Asset

The Company's non-qualified deferred compensation plan (the "NQDC plan"), which became effective in October 2021, allows highly compensated key employees to elect to defer a portion of their salary, bonus and RSU awards to later years. Management determined that the cash deferrals under the NQDC plan shall be accounted for similarly to a defined benefit plan under ASC 715, *Compensation – Retirement Benefits* ("ASC 715"), and should follow accounting treatment that is similar to a cash balance plan. Management determined that the employee portion and employer portion of the deferred compensation should be recognized as a compensation expense with a corresponding credit to deferred compensation liability. The matching contribution will be accrued over the vesting period of two years with 25% vesting in the first year and 75% vesting in the second year. Employees aged 55 or older immediately vest in employer matching contributions. The change in the liability between each reporting period is accounted for as compensation expense with a corresponding adjustment to deferred compensation liability. Upon distribution, the Company will record the distribution as a decrease to deferred compensation liability with a corresponding credit to cash. The Company funds the NQDC plan through a Corporate-Owned Life Insurance ("COLI"). Per the ASC 325-30-25-1A*, Investments – Other*, COLI is recorded as an asset on the Consolidated Balance Sheets as it does not meet the definition of a plan asset under ASC 715. The Company invests in COLI policies relating to its deferred compensation plan. Investments in COLI policies are recorded at their cash surrender values as of each balance sheet date. Changes in the cash surrender value during the period are recorded as a gain or loss in the Consolidated Statements of Operations in Other income, net.

Rabbi Trust

During April 2022, the Company established a rabbi trust for a select group of participants in which share awards granted under the 2020 Omnibus Incentive Plan ("2020 Plan") and deferred under the NQDC plan may be deposited. In addition to the deferral of shares, the rabbi trust holds the assets in the COLI for the NQDC plan. The rabbi trust is an irrevocable trust, and no portion of the trust fund may be used for any purpose other than the delivery of those assets to the participants. The assets held in the rabbi trust are subject to the claims of our general creditors in the event of bankruptcy or insolvency. The value of the assets of the rabbi trust is consolidated into our financial statements.

The NQDC plan permits diversification of vested shares (common stock) into other equity securities subject to a six-month and one day holding period subsequent to vesting. Per ASC 710-10-25-15, accounting for deferred common stock will be under plan type C or D. Accounting will depend on whether or not the employee has diversified the common stock. Under plan type C, diversification is permitted but the employee has not diversified. Under plan type D, diversification is permitted, and the employee has diversified.

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For common stock that has not been diversified, the employer stock held in the rabbi trust is classified in a manner similar to treasury stock and presented separately on the Consolidated Balance Sheets as Company common stock held by the NQDC plan. The common stock will be recorded at the fair value of the stock at the time it vested, subsequent changes in the value of the common stock will not be recognized. The deferred compensation obligation is measured independently at fair value of the common stock with a corresponding charge or credit to compensation cost. The fair value is calculated as the product of the common stock and the closing price of the stock each reporting period.

Under plan type D, the accounting for the assets held by the rabbi trust is subject to the accounting pronouncements under applicable GAAP for each asset type. The deferred compensation obligation is measured independently at fair value of the underlying assets. During the years-ended December 31, 2025 and 2024, the diversified stock was invested in funds under the COLI policy.

Non-Qualified Deferred Compensation Stock Awards

In accordance with ASC 718*, Compensation — Stock Compensation* ("ASC 718"), the deferred RSU awards under the NQDC plan are classified as an equity instrument and changes in fair value of the amount owed to the participant are not recognized. As the plan permits diversification, presentation outside of permanent equity in accordance with ASR 268, *Redeemable Preferred Stock* is appropriate. The redemption amounts are based on the vested percentage and are recorded outside of equity as Non-qualified deferred compensation share awards on the Consolidated Balance Sheets. Deferred awards will be presented outside of permanent equity until the awards are vested. For further details refer to Note 17 to the Consolidated Financial Statements.

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 ("CODM") in making decisions regarding resource allocation and assessing performance. The Company's CODM is its Chief Executive Officer, who reviews consolidated financial results when making resource allocation decisions or evaluating Company performance. To date, the Company has viewed its operations and manages its business as one segment. As of December 31, 2025, the Company has no material long-lived assets outside of the U.S. and approximately 4% of its total revenues for the year-ended December 31, 2025 are from foreign countries. For further details refer to Note 11 to the Consolidated Financial Statements.

3. Marketable Securities

The following table summarizes the amortized cost and estimated fair values of securities available-for-sale:

	As of December 31, 2025			
(in thousands)	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Carrying Value
Cash equivalents:				
Money market funds	$ 8,448	$ -	$ -	$ 8,448
Total cash equivalents	$ 8,448	$ -	$ -	$ 8,448
Current marketable securities:				
U.S. Treasury securities	$ 7,938	$ 4	$ -	$ 7,942
Total current marketable securities	$ 7,938	$ 4	$ -	$ 7,942

	As of December 31, 2024			
(in thousands)	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Carrying Value
Cash equivalents:				
Money market funds	$ 11,720	$ -	$ -	$ 11,720
Total cash equivalents	$ 11,720	$ -	$ -	$ 11,720
Current marketable securities:				
U.S. Treasury securities	$ 21,821	$ 14	$ -	$ 21,835
Total current marketable securities	$ 21,821	$ 14	$ -	$ 21,835

The maturities of the Company's available for sale securities are summarized in the following table using contractual maturities. Actual maturities may differ from contractual maturities due to obligations that are called or prepaid.

	As of December 31, 2025		As of December 31, 2024	
(in thousands)	Amortized Cost	Carrying Value	Amortized Cost	Carrying Value
Due in one year or less	$ 7,938	$ 7,942	$ 21,821	$ 21,835

Gross unrealized gains and losses on the Company's marketable securities were an unrealized gain of $4,000 as of December 31, 2025. Gross unrealized gains and losses on the Company's marketable securities were an unrealized gain of $14,000 as of December 31, 2024.

During the years-ended December 31, 2025 and 2024, the Company did not recognize credit losses. The Company has accrued interest income of $21,000 and $121,000 as of December 31, 2025 and, 2024, respectively, recorded in Prepaids and other current assets on the Consolidated Balance Sheets. Money market funds were included in Cash and cash equivalents on the Consolidated Balance Sheets.

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4. Fair Value Measurements

ASC 820, *Fair Value Measurement*, the authoritative guidance on fair value measurements, establishes a framework with respect to measuring assets and liabilities at fair value on a recurring basis and non-recurring basis. Under the framework, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. The framework also establishes a three-tier hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the factors market participants would use in valuing the asset or liability and are developed based on the best information available in the circumstances. The hierarchy consists of the following three levels:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable inputs for the asset or liability.

The following tables present information about the Company's financial assets measured at fair value on a recurring basis, based on the three-tier fair value hierarchy:

	As of December 31, 2025			
(in thousands)	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	$ 8,448	$ -	$ -	$ 8,448
Total cash equivalents	$ 8,448	$ -	$ -	$ 8,448
Current marketable securities:				
U.S. Treasury securities	$ -	$ 7,942	$ -	$ 7,942
Total current marketable securities	$ -	$ 7,942	$ -	$ 7,942
Total marketable securities and cash equivalents	$ 8,448	$ 7,942	$ -	$ 16,390
Financial liabilities:				
Loan facility	$ -	$ -	$ 42,984	$ 42,984
Warrant liabilities	501	-	742	1,243
Non-qualified deferred compensation plan liability	-	3,973	-	$ 3,973
Total financial liabilities	$ 501	$ 3,973	$ 43,726	$ 48,200
Financial assets:				
Corporate-owned life insurance policies	$ -	$ 3,116	$ -	$ 3,116
Total financial assets	$ -	$ 3,116	$ -	$ 3,116

(in thousands)	As of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	$ 11,720	$ -	$ -	$ 11,720
Total cash equivalents	$ 11,720	$ -	$ -	$ 11,720
Current marketable securities:				
U.S. Treasury securities	$ -	$ 21,835	$ -	$ 21,835
Total current marketable securities	$ -	$ 21,835	$ -	$ 21,835
Total marketable securities and cash equivalents	$ 11,720	$ 21,835	$ -	$ 33,555
Financial liabilities:				
Loan facility	$ -	$ -	$ 42,245	$ 42,245
Warrant liability	-	-	3,432	3,432
Non-qualified deferred compensation plan liability	-	5,063	-	5,063
Total financial liabilities	$ -	$ 5,063	$ 45,677	$ 50,740
Financial assets:				
Corporate-owned life insurance policies	$ -	$ 3,006	$ -	$ 3,006
Total financial assets	$ -	$ 3,006	$ -	$ 3,006

The following table presents the summary of changes in the fair value of the Company's Level 3 financial instruments:

(in thousands)	As of December 31, 2025		As of December 31, 2024	
	Loan facility	Warrant liability	Loan facility	Warrant liability
Balance beginning of period	$ 42,245	$ 3,432	$ 39,812	$ 3,158
Change in fair value in earnings	1,322	(2,690)	2,463	274
Change in fair value in other comprehensive loss	(583)	-	(30)	-
Balance end of period, at fair value	$ 42,984	$ 742	$ 42,245	$ 3,432

The Company's Level 1 assets include money market instruments and are valued based upon observable market prices. The Company's Level 1 liabilities include the Penny Warrants (as defined below) and are valued based upon observable market prices. Level 2 assets consist of U.S Treasury securities. Level 2 securities are valued based upon observable inputs that include reported trades, broker/dealer quotes, bids and offers. Cash equivalents consist of money market funds and are classified as a Level 1. The corporate-owned life insurance contracts are recorded at cash surrender value, which approximates the fair value and is categorized as Level 2. Non-qualified deferred compensation plan liability is measured at fair value based on quoted prices of identical instruments to the investment vehicles selected by the participants and it is recorded as Level 2. There were no transfers between fair value measurement levels during the years-ended December 31, 2025 and 2024.

Loan Facility

The fair value of the loan facility was determined using a Monte Carlo Simulation ("MCS") in order to predict the probability of different outcomes. The valuation was performed based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. The fair value of the loan facility is recorded in the Consolidated Balance Sheets. The fair value is estimated by the Company each reporting period and the change in the fair value is recorded in both earnings and other comprehensive income depending on the instrument's inherent credit risk and market risk related to the loan facility valuation. The assumptions used in the MCS were risk-free interest rate, revenue volatility, revenue discount rate, future revenue projection, and expected dividend rate.

As the loan facility is subject to net revenue requirements, the valuation of the loan facility was determined using MCS. The underlying metric to be simulated is the projected Trailing Twelve Month ("TTM") revenues at each quarter end through the maturity date of October 18, 2028. Based on the simulated metric, the different levels of simulated TTM revenues may trigger different discounted cash flow scenarios in which the TTM revenues are lower than the targeted revenues per the Previous Credit Agreement (as defined in Note 6 to the Consolidated Financial Statements) or the TTM revenues are equal to or higher than the targeted revenues per the Previous Credit Agreement, as discussed in Note 6 to the Consolidated Financial Statements. MCS performs 100,000 iterations of various simulated revenues to determine the fair value of the loan facility.

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The below assumptions were used in the MCS:

	December 31, 2025	December 31, 2024
Risk-free interest rate	3.49%	4.25%
Revenue volatility	63.00%	63.00%
Revenue discount rate	13.84%	14.11%

Warrant Liabilities

On February 13, 2025, the Company issued 145,180 warrants with an exercise price of $0.01 per share (the "Penny Warrants"). The Penny Warrants were issued in connection with the Previous Credit Agreement. The fair value of the Penny Warrants liability was determined based on quoted prices in active markets, which represents a Level 1 measurement within the fair value hierarchy. The fair value of the Penny Warrants liability, which is reported within Warrant liabilities on the Consolidated Balance Sheets, is estimated by the Company based on the closing price of the Company's Common stock as quoted on the Nasdaq Capital Market ("Nasdaq") under the ticker code, "RCEL."

On the Closing Date of the Previous Credit Agreement, the Company issued 409,661 warrants with an exercise price of $10.9847 per share. As a result of the Placement and the issuance of Common stock, the exercise price of these warrants was adjusted to $10.218 (the "$10.218 Warrants"). The fair value of the $10.218 Warrants liability was determined based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. The fair value of the $10.218 Warrants liability, which is reported within Warrant liabilities on the Consolidated Balance Sheets, is estimated by the Company based on the Black-Scholes option pricing model with the following key inputs:

	December 31, 2025	December 31, 2024
Price of common stock	$ 3.45	$ 12.80
Expected term	7.80 years	8.80 years
Expected volatility	68.94%	48.89%
Exercise price	$ 10.2180	$ 10.9847
Risk-free interest rate	3.97%	4.49%
Expected dividends	0.00%	0.00%

5. Revenues

The Company generates revenues primarily from:

- The sale of EOU, RECELL GO RPK, RECELL GO mini RPK, PermeaDerm, and Cohealyx products to hospitals, other treatment centers, and distributors.
- Lease revenue for the RECELL GO RPD.

EOU, PermeaDerm and Cohealyx Sales

The Company's sale of the EOU, PermeaDerm, and Cohealyx products are accounted for under ASC 606, as discussed in Note 2 to the Consolidated Financial Statements. See Note 12 to the Consolidated Financial Statements for additional information regarding the Company's commitments with Stedical and Regenity.

RECELL GO and RECELL GO mini Sales

Revenue for the RECELL GO device is disaggregated between two accounting standards: (1) ASC 606 for the RPKs and (2) ASC 842 for the RPD.

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The RECELL GO and RECELL GO mini devices consist of single-use RPKs and a durable AC powered device, the RPD. The Company enters into contracts with customers where it receives consideration for single-use RPKs and does not receive additional consideration for the RPD. The consideration in the contract is allocated based on the SSP. Upon sale of the RPKs, the consideration is allocated to the lease and non-lease components. Consideration received for the RPKs is recorded in Sales revenue in the Consolidated Statement of Operations and consideration for the lease is recorded in Lease revenue in the Consolidated Statement of Operations. During the year-ended December 31, 2025, the Company recorded approximately $35.8 million in Sales revenue related to the RPKs and $731,000 in Lease revenue related to the RPD in the Consolidated Statement of Operations. During the year-ended December 31, 2024, the Company recorded approximately $17.5 million in Sales revenue related to the RPKs and $358,000 in Lease revenue related to the RPD in the Consolidated Statement of Operations.

Distributor Transactions

For international markets, the Company exclusively partners with third-party distributors (currently, COSMOTEC in Japan, PolyMedics Innovation GmbH in Germany, Joint Operations Ltd in the United Kingdom, and Revolution Surgical Pty Ltd in Australia and New Zealand). Revenue recognition occurs when the distributors obtain control of the product. The terms of sales transactions through distributors are generally consistent with the terms of direct sales to customers and do not contain return rights. These transactions are accounted for in accordance with the Company's revenue recognition policy described in Note 2 to the Consolidated Financial Statements.

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.

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 December 31, 2025 and December 31, 2024, 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 a total of $323,000 and $357,000 in contract liabilities as of December 31, 2025 and December 31, 2024, respectively. These amounts split between Other current liabilities and Contract liabilities in the Consolidated Balance Sheets. The Company had $33,000 in Other current liabilities as of December 31, 2025 and December 31, 2024. The Company had $290,000 and $324,000 in Contract liabilities as of December 31, 2025 and December 31, 2024, respectively. For the years-ended December 31, 2025 and 2024, the Company recognized $33,000 of revenue for amounts included in the beginning balance of contract liabilities. As of December 31, 2023, the Company had an unsatisfied performance obligation of $390,000.

Remaining Performance Obligations

The Company's remaining performance obligations are calculated as the dollar value of the remaining unsatisfied performance obligations on executed contracts. The estimated revenue expected to be recognized in the future once the performance obligations are satisfied under the Company's existing customer agreements was $323,000 and $357,000 as of December 31, 2025 and December 31, 2024, respectively. These amounts are classified between current and long-term in Other current liabilities and Contract liabilities in the Consolidated Balance Sheets. The Company expects to recognize approximately $33,000 as revenue in the next twelve months.

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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.

Disaggregated Revenue

The Company disaggregates revenue from contracts with customers into geographical regions, by customer type and by product. As noted in the segment footnote (Note 11 to the Consolidated Financial Statements), the Company's business consists of one reporting segment. A reconciliation of revenue by geographical region, customer type and product is provided in Note 11 to the Consolidated Financial Statements.

6. Loan Facility

On October 18, 2023 (the "Closing Date") the Company entered into a credit agreement, by and between the Company, as borrower, and an affiliate of OrbiMed Advisors, LLC (the "Lender") as the lender and administrative agent (the "Previous Credit Agreement"). The Previous Credit Agreement provides for a five-year senior secured credit facility in an aggregate principal amount of up to $90.0 million, of which (i) $40.0 million was made available on the Closing Date (the "Initial Commitment Amount"), (ii) $25.0 million would be made available, at the Company's discretion, on or prior to December 31, 2024, subject to certain net revenue requirements, and (iii) $25.0 million would be made available, at the Company's discretion, on or prior to June 30, 2025, subject to certain net revenue covenants (the "Loan Facility"). The maturity date of the Previous Credit Agreement is October 18, 2028 ("Maturity Date"). On the Closing date, the Company closed on the Initial Commitment Amount, less certain fees and expenses payable to or on behalf of the Lender. The Company received net proceeds of $38.8 million upon closing after deducting the Lender's transaction costs in connection with the Loan Facility.

All obligations under the Previous Credit Agreement are guaranteed by the Company and secured by substantially all of the Company's assets. The loan will be due in full on the Maturity Date unless the Company elects to repay the principal amount at any time prior to the Maturity Date. Upon prepayment, the Company will owe an exit fee of 3% on the principal amount of the loans as well as the applicable repayment premium. The repayment premium varies between 0.0% - 3.0% of the principal amount of the loan, depending on certain conditions that are defined in the Previous Credit Agreement. The repayment premium may also incorporate the make-whole amount. The make-whole amount represents the remaining scheduled interest payments on the Loan Facility during the period commencing on the prepayment date through the 24-month anniversary of the Closing Date. The Previous Credit Agreement further states that the Company will be required to repay portions of the principal amount of the Loan Facility if the Company does not achieve certain net revenue covenants. If, for any quarter until the Maturity Date, the Company's net revenue does not equal or exceed the applicable trailing 12-month amount as set forth in the Previous Credit Agreement, then the Company shall repay, in equal quarterly installments of 5.0% of the outstanding principal amount of the Loan Facility on the date the net revenue amount was not satisfied, together with the exit fee and repayment premium, if applicable. The Company shall repay amounts outstanding in full immediately upon an acceleration as a result of an event of default as set forth in the Previous Credit Agreement, together with a repayment premium and other fees. As of December 31, 2025, the Company has not made any repayments on the outstanding debt balance.

During the term of the Previous Credit Agreement, interest payable in cash by the Company shall accrue on any outstanding debt at a rate per annum equal to the greater of (x) the SOFR rate for such period and (y) 4.00% plus, in either case, 8.00%. As of December 31, 2025, the interest rate was 12.00%. During an event of default, any outstanding amount will bear interest at a rate of 4.00% in excess of the otherwise applicable rate of interest. The Company paid certain fees with respect to the Previous Credit Agreement, including an upfront fee, an unused fee on the undrawn portion of the Loan Facility, and certain fees related to amendments to the Previous Credit Agreement; continues to pay an administration fee; and may have to pay a repayment premium and an exit fee, as well as certain other fees and expenses of the Lender.

The Previous Credit Agreement contains a number of customary representations, warranties, and covenants that, among other things, will limit or restrict the ability of the Company to (subject to certain qualifications and exceptions): create liens and encumbrances; incur additional indebtedness; merge, dissolve, liquidate or consolidate; make acquisitions, investments, advances or loans; dispose of or transfer assets; pay dividends or make other payments in respect of their capital stock; amend certain material documents; redeem or repurchase certain debt; engage in certain transactions with affiliates; and enter into certain restrictive agreements. In addition, the Company is required to maintain at least $10.0 million of unrestricted cash and cash equivalents.

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The Previous Credit Agreement contains certain customary events of default, including: nonpayment of principal, interest, fees or other amounts; material inaccuracy of a representation or warranty; failure to perform or observe covenants; material defaults on other indebtedness; bankruptcy and insolvency events; material monetary judgments; loss of certain key permits, persons and contracts; material adverse effects; certain regulatory matters; and any change of control. One such event of default is if the Company's Quarterly Reports on Form 10-Q or Annual Report on Form 10-K are subject to any qualification or statement which is of a "going concern" or similar nature.

On the Closing Date, the Company issued to an affiliate of the Lender the $10.218 Warrants, with a term of 10 years from the issuance date. The $10.218 Warrants contain customary share adjustment provisions, as well as weighted average price protection in certain circumstances. As a result of the Placement, the $10.218 Warrants were repriced from their original exercise price of $10.9847 to $10.218.

On November 7, 2024, the Lender and the Company mutually agreed to a third amendment (the "Third Amendment") to the Previous Credit Agreement. Under the terms of the Third Amendment and subject to the payment by the Company of a consent fee to the Lender, the Company and the Lender mutually agreed to (1) terminate the two additional tranches of available debt in the aggregate amount of $50.0 million and (2) remove the trailing 12-month revenue covenant for the fourth quarter of 2024, which was set at $67.5 million.

On February 13, 2025, the Lender and the Company mutually agreed to a fourth amendment (the "Fourth Amendment") to the Previous Credit Agreement, which amended the trailing 12-month revenue covenant to $73.0 million for the quarter ending March 31, 2025, to $78.0 million for the quarter ending June 30, 2025, to $84.0 million for the quarter ending September 30, 2025, to $92.0 million for the quarter ending December 31, 2025 and to $103.0 million for the quarter ending March 31, 2026. The $115.0 million revenue covenant for all subsequent quarters through the Maturity Date remained in effect. As a condition to the execution of the Fourth Amendment, the Company issued to the Lender the Penny Warrants, with a term of 10 years from the issuance date. The Penny Warrants contain customary share adjustment provisions, as well as weighted average price protection in certain circumstances.

On March 31, 2025, the Company received a waiver related to the trailing 12-month revenue covenant for the first quarter of 2025 and paid the Lender a fee. On June 30, 2025, the Company received a waiver related to the trailing 12-month revenue covenant for the second quarter of 2025 for no fee.

On August 7, 2025, the Company entered into a fifth amendment to the Previous Credit Agreement (the "Fifth Amendment"), which amended the trailing 12-month revenue covenant to $73.0 million for the quarter ending September 30, 2025, to $77.0 million for the quarter ending December 31, 2025, to $90.0 million for the quarter ending March 31, 2026, and to $103.0 million for the quarter ending June 30, 2026, and waived a requirement that the Company's Quarterly Report on Form 10-Q not contain any qualification or statement which is of a "going concern" or similar nature in the Company's Quarterly Report on Form 10-Q for the quarter ending June 30, 2025. The $115.0 million revenue covenant for all subsequent quarters through the date of debt maturity remained in effect. As a condition to the execution of the Fifth Amendment, the Company issued 400,000 shares of its Common stock to the Lender and recorded the fair value on issuance of $2.2 million in Other expense, net in the Consolidated Statement of Operations.

On September 30, 2025, the Company received a waiver related to the trailing 12-month net revenue covenant for the third quarter of 2025.

On November 5, 2025, the Company entered into a sixth amendment to the Previous Credit Agreement (the "Sixth Amendment"), which amended the trailing 12-month revenue covenant to $70.0 million for the quarter ending December 31, 2025. The revenue covenants for all subsequent quarters through the Maturity Date remain in effect. The Sixth Amendment also waived a requirement that the Company's Quarterly Report on Form 10-Q not contain any qualification or statement which is of a "going concern" or similar nature for the quarter ending September 30, 2025. In consideration for the amended covenant and waiver in the Sixth Amendment, the Company agreed to add $500,000 to the principal balance of the Loan Facility, with interest paid on this amount as of November 1, 2025 and during the term of the Loan Facility and payable along with the original $40.0 million principal balance, either on the Maturity Date or when and if earlier repaid.

Subsequent to December 31, 2025, the Company completed the Refinancing Transaction, see Note 18 for additional information.

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As permitted under ASC 825, *Financial Instruments*, the Company elected the fair value option ("FVO") to record the loan facility and warrants with changes in fair value recorded in the Consolidated Statements of Operations in Other income, net. Changes related to instrument-specific credit risk are revalued by comparing the amount of the total change in fair value of the loan facility to the amount of change in fair value that would have occurred if the Company's credit spread had not changed between the reporting periods, and is recorded in Accumulated other comprehensive loss in the Consolidated Balance Sheets.

The difference between the fair value of the loan facility and the unpaid principal balance of $40.0 million is an additional liability of $3.0 million and $2.2 million as of December 31, 2025 and December 31, 2024, respectively. For changes in fair value, refer to Note 4 to the Consolidated Financial Statements.

7. Leases

During September 2025, the Company modified the lease agreement for the expanded Ventura Warehouse to extend the lease term. The modification resulted in an increase of approximately $235,000 in the operating lease ROU assets and operating lease liabilities.

The following table sets forth the Company's operating lease expenses which are included in operating expenses in the Consolidated Statements of Operations (in thousands):

	Year Ended	
	December 31, 2025	**December 31, 2024**
Operating lease cost	$ 1,210	$ 821
Variable lease cost	177	174
Total lease cost	$ 1,387	$ 995

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

	Year Ended	
	December 31, 2025	**December 31, 2024**
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from operating leases	$ 1,218	$ 1,185

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Supplemental balance sheet information, as of December 31, 2025 and 2024, related to operating leases was as follows (in thousands, except for operating lease weighted average remaining lease term and operating lease weighted average discount rate):

	As of	
	December 31, 2025	December 31, 2024
Reported as:		
Operating lease right-of-use assets	$ 2,899	$ 3,571
Total right-of-use assets	$ 2,899	$ 3,571
Other current liabilities:		
Operating lease liabilities, short-term	$ 929	$ 900
Operating lease liabilities, long term	2,135	2,840
Total operating lease liabilities	$ 3,064	$ 3,740
Operating lease weighted average remaining lease term (years)	3.77	4.34
Operating lease weighted average discount rate	9.82%	9.74%

As of December 31, 2025, maturities of the Company's operating lease liabilities are as follows (in thousands):

	Operating Leases
2026	$ 1,180
2027	829
2028	716
2029	543
2030	416
Thereafter	-
Total lease payments	3,684
Less imputed interest	(620)
Total operating lease liabilities	$ 3,064

As of December 31, 2025, there were no leases entered into that had not yet commenced.

Lessor Arrangements

As discussed in Note 5 to the Consolidated Financial Statements, the contracts for the RECELL GO device include an operating lease for the customer's right to use the RPD. The lease arrangement does not contain fixed consideration. Variable lease payments are not included in consideration at lease inception. The variable consideration related to the lease is allocated based on the SSP and is recognized when control of the RPK is transferred to the customer. For the years ended December 31, 2025 and 2024, variable lease revenue was $731,000 and $358,000, respectively.

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Assets held for lease and included in Plant and equipment, net consisted of the following (in thousands):

	As of	
	December 31, 2025	December 31, 2024
Rental RPD assets	$ 1,630	$ 1,384
Accumulated depreciation	(98)	(47)
Net rental RPD assets	$ 1,532	$ 1,337

8. Inventory

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

	As of	
	December 31, 2025	December 31, 2024
Raw materials	$ 1,895	$ 2,449
Work in process	116	389
Finished goods	4,915	4,431
Total inventory	$ 6,926	$ 7,269

The Company values 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 $810,000 and $487,000 for the years-ended December 31, 2025 and 2024, respectively.

9. Intangible Assets

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

		As of December 31, 2025			As of December 31, 2024		
	Weighted Average Useful Life	Gross Amount	Accumulated Amortization	Net Carry Amount	Gross Amount	Accumulated Amortization	Net Carry Amount
Patent 1	7.23	$ 143	$ (57)	$ 86	$ 136	$ (46)	$ 90
Patent 2	8.17	238	(87)	151	238	(61)	177
Patent 3	14.50	118	(24)	94	108	(25)	83
Patent 4	15.26	80	(12)	68	67	(9)	58
Patent 5	5.63	55	(15)	40	46	(3)	43
Patent 6	1.05	154	(84)	70	121	(42)	79
Regenity License	9.00	5,000	(500)	4,500	5,000	(14)	4,986
Capitalized Software	2.75	635	(53)	582	-	-	-
Trademarks	Indefinite	54	-	54	54	-	54
Total intangible assets		$ 6,477	$ (832)	$ 5,645	$ 5,770	$ (200)	$ 5,570

For the years-ended December 31, 2025 and 2024, 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 intangible assets recognized for the years-ended December 31, 2025 and 2024. Amortization expense of intangibles included in the Consolidated Statements of Operations was $0.6 million and $93,000 for the years-ended December 31, 2025 and 2024, respectively. Due to Regenity receiving 510(k) clearance for Cohealyx, the Company recorded a license (the “Regenity License”) of $5.0 million. For further details refer to Note 12 to the Consolidated Financial Statements.

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The Company estimated the future amortization of amortizable intangible assets held as of December 31, 2025 to be (in thousands):

	Estimated Amortization Expense
2026	$ 787
2027	758
2028	705
2029	546
2030	546
Thereafter	2,249
Total	$ 5,591

10. Plant and Equipment, net

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

		As of	
	Useful Lives	December 31, 2025	December 31, 2024
Computer equipment	3 - 5 years	$ 1,867	$ 1,645
Computer software	3 years	923	836
Construction in progress ("CIP")		17	442
Furniture and fixtures	7 years	1,221	1,177
Laboratory and other equipment	3 - 5 years	1,247	954
Leasehold improvements	Lesser of life or lease term	4,882	4,607
RECELL molds	5 years	606	503
RECELL GO RPD CIP		999	1,464
RECELL GO RPD		343	453
Operating lease assets - RPD	200 uses	1,630	1,384
Less: accumulated amortization and depreciation		(5,105)	(3,447)
Total Plant and equipment, net		$ 8,630	$ 10,018

Construction in progress consists primarily of leasehold improvements, and RECELL GO RPD CIP consists of materials for the manufacture of the RPDs. RPDs have a useful life of 200 uses and are being amortized based on customer usage as determined by sales of the RPKs. RECELL GO RPD represents assets available to be leased by customers and are not depreciated until leased. Additional information on Operating lease assets - RPD is provided in Note 7 to the Consolidated Financial Statements.

Depreciation expense related to plant and equipment was $1.6 million and $1.0 million for the years-ended December 31, 2025 and 2024, respectively. The Company recorded a loss on disposal of fixed assets of approximately $0.6 million and $107,000 for the years-ended December 31, 2025 and 2024, respectively.

11. Reporting Segment and Geographic Information

The Company views its operations and manages its business in one reporting segment. The Company's CODM evaluates financial information and assesses the performance of resources on a consolidated basis. Long-lived assets were primarily located in the United States as of December 31, 2025 and December 31, 2024 with an insignificant amount located in Australia and the United Kingdom.

The key measure of segment profit or loss that the CODM uses to allocate resources and in assessing performance is the Company's consolidated net loss, as reported on the Consolidated Statements of Operations. The CODM uses net loss to monitor actual results against budgeted and prior period operating results for the purpose of evaluating operational efficiency, and to evaluate income generated from the assets in making strategic decisions on organizational resource allocation.

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Revenues by region and customer location were as follows (in thousands):

	Year Ended	
	December 31, 2025	December 31, 2024
Revenue by region:		
United States	$ 68,787	$ 62,157
Japan	2,088	1,431
European Union	49	155
Australia	200	312
United Kingdom	486	196
Total	$ 71,610	$ 64,251

Revenues by customer type were as follows (in thousands):

	Year Ended	
	December 31, 2025	December 31, 2024
Revenue by customer type:		
Commercial sales	$ 71,438	$ 64,023
Deferred commercial revenue recognized	33	33
BARDA revenue for right of first access	139	195
Total	$ 71,610	$ 64,251

Commercial revenue by product were as follows (in thousands):

	Year Ended	
	December 31, 2025	December 31, 2024
Commercial revenue by product:		
RECELL	$ 66,461	$ 62,611
Other wound care products	4,246	1,054
Lease revenue	731	358
Total commercial sales	$ 71,438	$ 64,023

Consolidated net loss by segment (in thousands):

	Year Ended	
	December 31, 2025	December 31, 2024
Total revenues	$ 71,610	$ 64,251
Purchases of inventory	(10,939)	(7,861)
Other cost of sales	(1,855)	(1,233)
Gross profit	58,816	55,157
Operating expenses:		
Sales and marketing	(53,138)	(58,195)
General and administrative	(27,373)	(33,195)
Research and development	(20,839)	(20,360)
Total operating expenses	(101,350)	(111,750)
Operating loss	(42,534)	(56,593)
Interest expense	(5,004)	(5,361)
Other income, net	(1,038)	163
Loss before income taxes	(48,576)	(61,791)
Income tax expense	(11)	(54)
Net loss	$ (48,587)	$ (61,845)

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12. Commitments and 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 more likely 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 December 31, 2025, the Company does not have any outstanding or threatened litigation that would have a material impact to the financial statements.

Commitments with Stedical

On January 26, 2024, the Company entered into the Distribution Agreement with Stedical. Under the terms of the Distribution Agreement, the Company held the exclusive rights to market, sell, and distribute PermeaDerm products, including any future enhancements or modifications, within the United States. The initial term is for five years, with the option to renew for an additional five years, contingent upon meeting certain minimum requirements.

On March 17, 2025, the Company and Stedical entered into an Amendment Two (the "Amendment") of the Distribution Agreement. Under the terms of the Amendment, the Company's share of revenue from PermeaDerm sales increased from 50% to 60% and Stedical becomes eligible for certain milestone payments conditioned upon AVITA Medical's achievement of specified sales targets. In addition, Stedical's share from the sale of PermeaDerm is reduced by the Company's actual cost to manufacture PermeaDerm. For 2025, the Company is required to reach $6.0 million in gross sales of PermeaDerm. For every year thereafter, the Company must achieve a minimum 20% increase in revenue from sales of PermeaDerm. In the event the Company fails to achieve the specified growth rate for two subsequent years, the Company has the option to make a cash payment to Stedical equal to the difference between what Stedical would have received if that growth target had been met for that second year and the amount of payments that were made to Stedical during that second year. The Amendment revises the initial term of the Distribution Agreement to ten years from the date of the Amendment.

Simultaneously to entering into the Amendment, on March 17, 2025, the Company entered into the Manufacturing Agreement with Stedical to manufacture PermeaDerm in the United States for the purposes of (i) sale in the United States under the terms of the Distribution Agreement and (ii) sale to Stedical for sale or distribution outside of the United States. The initial term of the Manufacturing Agreement is for ten years.

Development and Distribution Agreement with Regenity

On July 31, 2024, the Company entered into the Regenity Agreement to market, sell, and distribute Cohealyx, a unique collagen-based dermal matrix under the Company's private label in the U.S., with the potential to commercialize the product in countries in the European Union, as well as in Japan and Australia. The initial term of the Regenity Agreement is five years, with an automatic extension of an additional five years, contingent upon meeting certain criteria. The Regenity Agreement also requires the Company to meet certain revenue targets, which may be reduced by the amount of product purchased during a given year, in order to maintain its exclusive distribution rights. In the event the Company fails to meet those revenue targets, Regenity may end the Company's exclusivity under the Regenity Agreement unless the Company makes a cash payment to Regenity equal to the difference between what Regenity would have received if the revenue target were met and the amount of payments that were made to Regenity during the year.

Under the terms of the Regenity Agreement, the Company made a $2.0 million payment upon receipt of 510(k) clearance by Regenity in December 2024. Depending on the results of certain clinical studies related to Cohealyx, the Company has an additional obligation to pay up to $3.0 million on or before January 4, 2026 to guarantee development and manufacturing capacity (and related resources). As such, upon Regenity receiving 510(k) clearance in December 2024, the Company recorded $5.0 million in Intangible assets, net on the Consolidated Balance Sheets.

On December 17, 2025, the Company entered into Amendment One to the Regenity Agreement (the "Regenity Amendment"). Under the terms of the Regenity Amendment, the Company's obligation to pay up to $3.0 million was amended to on or before January 4, 2027 to guarantee development and manufacturing capacity (and related resources). As of December 31, 2025 and December 31, 2024, the Company recorded $3.0 million in Contingent liability, long-term on the Consolidated Balance Sheets.

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13. Common and Preferred Stock

The Company's shares of Common stock are quoted on Nasdaq under AVITA Medical's previous Nasdaq ticker code, "RCEL". The Company's CDIs are quoted on the Australian Securities Exchange ("ASX") under AVITA Medical's previous ASX ticker code, "AVH". One share of Common stock on Nasdaq is equivalent to five CDIs on the ASX.

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. The Company has 30,571,662 and 26,354,042 shares of common stock issued and outstanding as of December 31, 2025 and December 31, 2024, respectively. The Company has no shares of preferred stock outstanding during any period.

On August 7, 2025, as a condition to the execution of the Fifth Amendment, the Company issued 400,000 shares of its Common stock to the Lender.

On August 12, 2025, the Company completed the Placement on the ASX to institutional and professional investors to raise $14.8 million through the issuance of 17,201,886 CDIs, which is the equivalent of 3,440,377 shares of Common stock.

14. Share-Based Payment Plans

Overview of Employee Share-Based Compensation Plans

The Company's former parent company, AVITA Medical Pty Limited, adopted the Employee Share Plan and the Incentive Option Plan (collectively, the "2016 Plans"). Upon completion of the redomiciliation of the Company from Australia to the United States in June 2020 ("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. During November 2020, the Company 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 2020 Plan. During June 2023, the Company filed a registration statement on Form S-8 to register an additional 2,500,000 shares of common stock under the 2020 Plan. The increase in shares available for issuance was a result of the stockholders of AVITA Medical, Inc. approving an amendment to the 2020 Plan on June 6, 2023 at the Company's 2023 Annual Meeting of Stockholders (the "2023 Annual Meeting"). During August 2024, the Company filed a registration statement on Form S-8 to register 428,858 shares of common stock that are issuable upon the exercise of stock options and the vesting of RSUs granted pursuant to individual stock option award and RSU award agreements approved by the Company's stockholders at the Company's 2024 Annual Meeting of Stockholders (the "2024 Annual Meeting"). During August 2025, the Company filed a registration statement on Form S-8 to register 605,902 shares of common stock that are issuable upon the exercise of stock options and the vesting of RSUs granted pursuant to individual stock option award and RSU award agreements approved by the Company's stockholders at the Company's 2025 Annual Meeting of Stockholders (the "2025 Annual Meeting").

On December 22, 2021, the Company's stockholders approved the issuance of options and RSUs to the Board of Directors in accordance with ASX rules. These awards are subject to the vesting and performance conditions as denoted in the individual agreements (collectively, the "2021 Annual Meeting Awards"). On December 12, 2022, the Company's stockholders approved the issuance of options and RSUs to the Board of Directors and the CEO in accordance with ASX rules. These awards are subject to vesting conditions as denoted in the individual agreements (collectively, the "2022 Annual Meeting Awards"). On June 6, 2023, the Company's stockholders approved the issuance of options and RSUs to the Board of Directors and the CEO in accordance with ASX rules. These awards are subject to vesting conditions as denoted in the individual agreements (collectively, the "2023 Annual Meeting Awards"). On June 5, 2024, the Company's stockholders approved the issuance of options and RSUs to the Board of Directors and the CEO in accordance with ASX rules. These awards are subject to vesting conditions as denoted in the individual agreements (collectively, the "2024 Annual Meeting Awards"). On June 4, 2025, the Company's stockholders approved the issuance of options and RSUs to the Board of Directors and the CEO in accordance with ASX rules. These awards are subject to vesting conditions as denoted in the individual agreements (collectively, the "2025 Annual Meeting Awards").

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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 Human Capital and Compensation Committee or by the Board acting as the Human Capital and 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 Human Capital and Compensation Committee, the Human Capital and Compensation Committee will have full power to implement and carry out the 2020 Plan. Without limitation, the Human Capital and 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 the 2020 Plan.

The contractual term of stock option awards granted under the 2020 Plan is ten years from the grant date. Unless otherwise specified, the vesting periods of options and RSUs granted under the 2020 Plan are: (i) vest over a three-year or four-year period in equal installments at the end of each year from the date of grant, and /or (ii) subject to other performance criteria, as determined by the Human Capital and Compensation Committee.

The following table summarizes information about the Company's stock-based award plans as of December 31, 2025:

	Outstanding Options	Outstanding Restricted Stock Units	Shares Available For Future Issuance
2016 Equity Incentive Plan	429,738	—	-
2020 Equity Incentive Plan	3,345,733	—	2,841,311
2021 AGM Awards	22,600	—	-
2022 AGM Awards	191,302	—	-
2023 AGM Awards	91,435	6,916	-
2024 AGM Awards	256,992	—	-
2025 AGM Awards	199,104	60,132	-

Share-Based Payment Expenses

Stock-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 Payment.* The Company recorded stock-based compensation expense of $9.5 million and $13.5 million for the years-ended December 31, 2025 and 2024, respectively. No income tax benefit was recognized in the Consolidated Statements of Operations for stock-based payment arrangements for the years-ended December 31, 2025 and 2024.

The Company has included stock-based compensation expense and ESPP expense as part of operating expenses in the accompanying Consolidated Statements of Operations as follows (in thousands):

	Year Ended	
	December 31, 2025	December 31, 2024
Sales and marketing expenses	$ 2,297	$ 3,338
General and administrative expenses	4,768	8,376
Research and development expenses	2,454	1,782
Total	$ 9,519	$ 13,496

A summary of share option activity as of December 31, 2025 and changes during the year then ended is presented below:

	Service Only Share Options	Performance-Based Share Options	Total Share Options
Outstanding shares at December 31, 2024	3,349,037	191,171	3,540,208
Granted	1,905,770	100,000	2,005,770
Exercised	(61,267)	(13,458)	(74,725)
Expired	(135,388)	(5,824)	(141,212)
Forfeited	(692,549)	(100,588)	(793,137)
Outstanding shares at December 31, 2025	4,365,603	171,301	4,536,904
Exercisable at December 31, 2025	1,811,164	161,707	1,972,871
Vested and expected to vest - December 31, 2025	4,365,603	171,301	4,536,904

The weighted-average grant-date fair value of options granted during the years-ended December 31, 2025 and 2024 was $8.06 and $7.55, respectively. The total intrinsic value of options exercised during the years-ended December 31, 2025 and 2024 was $0.3 million and $2.1 million, respectively. Intrinsic value is measured using the fair market value at the date of exercise for options exercised, or at balance sheet date for outstanding options, less the applicable exercise price.

Cash received from the exercise of options was approximately $0.4 million and $2.1 million, for the years-ended December 31, 2025 and 2024, respectively.

As of December 31, 2025, there was approximately $5.2 million of total unrecognized compensation cost related to share-based compensation expense. Of this amount $5.1 million relates to service only share options to be recognized over a weighted average period of 0.66 years.

Restricted Stock Units

Restricted stock units are granted to executives as part of their long-term incentive compensation. RSUs granted to directors as a result of stockholder approval at the Company's 2021 Annual Meeting, 2022 Annual Meeting, 2023 Annual Meeting, 2024 Annual Meeting and 2025 Annual Meeting are issued pursuant to award agreements between the Company and the holders of such securities. These RSU awards were approved by the Human Capital and Compensation Committee. All RSU awards vest in accordance with the tenure or performance conditions as determined by the Human Capital and Compensation Committee and set out in the contracts between the Company and the holders of such securities. 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).

A summary of the status of the Company's unvested RSUs as of December 31, 2025, and changes that occurred during the year is presented below:

Unvested Shares	Tenure-Based RSUs	Performance Condition RSUs	Total RSUs
Unvested RSUs outstanding at December 31, 2024	109,315	7,881	117,196
Granted	60,132	-	60,132
Vested	(101,299)	(7,881)	(109,180)
Forfeited	(1,100)	-	(1,100)
Unvested RSUs outstanding at December 31, 2025	67,048	-	67,048

The weighted-average grant-date fair value of the RSUs granted during the years-ended December 31, 2025 and 2024, was $8.73 and $9.51, respectively. The total fair value of shares vested during the years-ended December 31, 2025 and 2024, was $0.9 million and $1.4 million, respectively.

As of December 31, 2025, there was $62,000 of total unrecognized compensation cost related to service only RSU awards to be recognized over a weighted average period of 0.08 years.

2021 Annual Meeting Awards

Awards to non-executive members of the Board of Directors ("Director awards") under the 2021 Annual Meeting Awards

The Director awards that were granted in 2021 consist of an aggregate 68,600 options and RSUs. A total of 41,400 tenure-based options are RSUs (15,300 options and 26,100 RSUs) vested 12 months from the grant date. A total of 27,200 tenure-based options and RSUs (9,850 options and 17,350 RSUs) vest over 3 three years in equal installment each year.

2022 Annual Meeting Awards

Awards to the CEO under the 2022 Annual Meeting Awards

On December 12, 2022, the CEO was issued an aggregate 226,296 options with 25% of those options vesting annually commencing on September 28, 2023.

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Non-Executive Director awards under the 2022 Annual Meeting Awards

The Director awards consist of an aggregate 71,936 options and RSUs (21,580 options and 50,356 RSUs) vesting 12 months from the grant date.

2023 Annual Meeting Awards

Awards to the CEO under the 2023 Annual Meeting Awards

On June 6, 2023, the CEO was issued an aggregate 100,000 options with 33.3% of those options vesting annually commencing on June 6, 2024.

Non-Executive Director awards under the 2023 Annual Meeting Awards

The Director awards consist of an aggregate 82,566 options and RSUs. A total of 52,926 tenure-based options and RSUs (15,876 options and 37,050 RSUs) vest 12 months from the grant date. A total of 29,640 tenure-based options and RSUs (8,892 options and 20,748 RSUs) vest over three years in equal installments each year.

2024 Annual Meeting Awards

Awards to the CEO under the 2024 Annual Meeting Awards

On June 5, 2024, the CEO was issued an aggregate 350,000 options with 33.3% of those options vesting annually commencing on January 3, 2025.

Non-Executive Director awards under the 2024 Annual Meeting Awards

The Director awards consist of an aggregate 78,858 options and RSUs (23,658 tenure-based options and 55,200 RSUs) vesting 12 months from the grant date.

2025 Annual Meeting Awards

Awards to the CEO under the 2025 Annual Meeting Awards

On June 4, 2025, the CEO was issued an aggregate 520,000 options with 33.3% of those options vesting annually commencing on January 21, 2026.

Non-Executive Director awards under the 2025 Annual Meeting Awards

The Director awards consist of an aggregate 85,902 options and RSUs (25,770 tenure-based options and 60,132 RSUs) vesting 12 months from January 21, 2026.

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 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 term at the time of grant, volatility is based on the historical volatility. For tenure-based options, the expected term 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 for plain vanilla options to determine the expected term 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.

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Included in the following table is a summary of the related assumptions used in the Black-Scholes Option pricing model for the years-ended December 31, 2025 and 2024.

	Year-Ended	
	December 31, 2025	December 31, 2024
Expected volatility	71% - 75%	73% - 75%
Weighted-average volatility	73%	74%
Expected dividends	0%	0%
Expected term (in years)	5.2 - 9.6	5.5 - 6.5
Risk-free interest rate	3.68% - 4.42%	3.43% - 4.64%

Employee Stock Purchase Plan

In June 2023, the stockholders approved the AVITA Medical, Inc. Employee Stock Purchase Plan (the "ESPP"). The ESPP became effective on July 1, 2023. On June 30, 2023, the Company filed Registration Statement on Form S-8 to register 1,000,000 shares of common stock under the ESPP, as a result of the Company's stockholders approving the ESPP at the 2023 Annual Meeting. The ESPP features two six-month offering periods per year, from June 1 to November 30 and December 1 to May 31. The first offering period for the ESPP was July 1 – November 30, 2023. Subsequent offering periods will begin the first trading day of December and June each year. For the year-ended December 31, 2025, 193,338 shares were issued under the ESPP at a purchase price of $4.11, and total proceeds received from the purchase of shares under the ESPP were approximately $0.8 million. For the year-ended December 31, 2024, 171,224 shares were issued under the ESPP at a purchase price of $8.02, and total proceeds received from the purchase of shares under the ESPP were approximately $1.4 million. During the years-ended December 31, 2025 and 2024, the Company recorded $446,000 and $735,000, respectively in ESPP expense and had unamortized expense remaining of $190,000 and $275,000, respectively, to be recognized over a term of 0.42 years. As of December 31, 2025 and 2024, the Company had accrued payroll contributions for future ESPP purchases of approximately $80,000 and $89,000, respectively.

The Company estimates the fair value of the ESPP using the Black-Scholes option pricing model on the date of grant. The valuation 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 term, expected share price, volatility over the expected term and risk-free rate. The risk-free interest rate is based on the U.S. Treasury rate for the expected term at the time of grant, volatility is based on the historical volatility. 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 related assumptions used in the Black-Scholes Option pricing model for the years-ended December 31, 2025 and 2024.

	Year-Ended	
	December 31, 2025	December 31, 2024
Expected volatility	98.83% - 102.79%	57.59% - 73.26%
Weighted-average volatility	101.38%	63.81%
Expected dividends	0%	0%
Expected term (in years)	0.5	0.5
Risk-free interest rate	3.68% - 4.27%	4.33% - 5.28%

15. Income Taxes

Geographic sources of loss before income taxes are as follows:

	Year-Ended	
(amounts in thousands)	December 31, 2025	December 31, 2024
United States	$ (48,576)	$ (61,778)
Foreign	-	(13)
Loss before income taxes	$ (48,576)	$ (61,791)

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Income tax expense as shown in the accompanying Consolidated Statements of Operations includes the following:

	Year-Ended	
(amounts in thousands)	December 31, 2025	December 31, 2024
Current:		
Federal	$ -	$ -
State	11	54
Foreign	-	-
Total current	11	54
Deferred:		
Federal	-	-
State	-	-
Foreign	-	-
Total deferred	-	-
Total income tax expense	$ 11	$ 54

In accordance with the updated requirements of ASU 2023-09 for the year ended December 31, 2025, a reconciliation of the U.S. federal statutory income tax rate to the effective tax rate was as follows:

	2025	
(amounts in thousands)	Amount	Rate
Tax expense (benefit) at U.S. statutory rate	$ (10,201)	21%
State taxes, net of federal benefit[(1)]	11	0%
Change in valuation allowance	9,818	(20)%
Nontaxable and nondeductible items:		
Share-based compensation	600	(1)%
Other	(217)	0%
Total income tax expense	$ 11	

(1) State taxes in Texas and California made up greater than 50% of the tax effect in this category.

The provision for income taxes differs from the tax computed using the statutory United States federal income tax rate of 21% for the year ended December 31, 2024 as a result of the following items:

	Year-Ended
(amounts in thousands)	December 31, 2024
Tax benefit at U.S. statutory rate	$ (12,976)
State income taxes	54
Foreign rate differential	(1)
Share-based compensation	2,911
Fair value change in debt and warrants	576
Foreign exchange gain/(loss) on intercompany trade balances	3
Foreign tax loss carryforward write off	14,999
Permanent differences	264
Net change in valuation allowance	(5,776)
Income tax expense	$ 54

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

(amounts in thousands)	Year- Ended December 31, 2025	December 31, 2024
Deferred tax liabilities		
ROU asset	$ (767)	$ (904)
Total deferred tax liabilities	$ (767)	$ (904)
Deferred tax assets		
Property, plant and equipment	$ 69	$ 41
Accrued expenses	1,991	3,365
Stock-based compensation	4,747	3,044
Lease liability	811	947
Research and development	7,725	7,077
Net operating loss carryforward	55,114	45,233
Section 163(j) interest expense	1,379	-
Other	2,156	1,567
Total deferred tax assets	$ 73,992	$ 61,274
Less valuation allowance	(73,255)	(60,370)
Net deferred tax assets	767	904
Net deferred tax assets / (liabilities)	$ -	$ -

At December 31, 2025, the Company and its subsidiaries had net operating loss carryforwards for federal and state income tax purposes of $216.0 million and $146.9 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 provisions. Of these carryforwards, $19.4 million will expire, if not utilized, between 2028 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 $73.3 million and $60.4 million as of December 31, 2025 and 2024, 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 December 31, 2025 and 2024.

In accordance with the updated requirements of ASU 2023-09 for the year ended December 31, 2025, cash paid for income taxes totaled $15,000 and was comprised of state income taxes payments made primarily to Texas and California.

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, 2008 and forward. The Company also remains subject to income tax examinations for international income taxes for fiscal years ended June 30, 2021 through the date of dissolution of its foreign subsidiaries, which occurred in 2024 and 2025, and for certain other U.S. state and local income taxes generally for the fiscal years ended June 30, 2021 through December 31, 2024.

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16. Loss per Share

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

	Year Ended	
	December 31, 2025	December 31, 2024
(in thousands, except per share amounts)		
Net loss	$ (48,587)	$ (61,845)
Weighted-average common shares—outstanding, basic and diluted	27,861	25,883
Net loss per common share, basic and diluted	$ (1.74)	$ (2.39)

	Year Ended	
	December 31, 2025	December 31, 2024
Anti-dilutive shares excluded from diluted net loss per common share:		
Stock options	4,536,904	3,540,208
Restricted stock units	67,048	117,196
ESPP	59,910	81,675
Warrants	554,841	409,661

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. In accordance with ASC 710, shares of common stock held by the rabbi trust are excluded from the denominator in the basic and diluted net loss per common share calculations. As of December 31, 2025 and 2024 a total of 135,493 and 127,270, shares of common stock were excluded, respectively. For details on shares of common stock held by the rabbi trust refer to Note 17 to the Consolidated Financial Statements. 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 years-ended December 31, 2025 and 2024, diluted net loss per common share is the same as the basic net loss per share for those periods.

17. 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 $2.2 million and $2.5 million for the years-ended December 31, 2025, and 2024, respectively.

Non-qualified deferred compensation plan

The Company's NQDC plan, which became effective on October 2021 allows for eligible management and highly compensated key employees to elect to defer a portion of their salary, bonus, commissions and RSU awards to later years. Cash deferrals are immediately vested and are subject to investment risk and a risk of forfeiture under certain circumstances. RSU deferrals are subject to the vesting conditions of the award. Once RSUs vest, subject to a six-month and one day holding period, employees are allowed to diversify the common stock into other investment options offered by the plan. For cash deferrals, the Company matches 4% to 6% (depending on level) of employee contributions. These matching employer contributions are vested over a two-year period with 25% vesting on year one and 75% vesting on year two for employees under 55 years of age. Employer contributions for employees over 55 years of age are immediately vested. Employer contributions to the NQDC plan for the years-ended December 31, 2025 and 2024 were $88,000 and $154,000, respectively. The Company's deferred compensation plan liability was $4.0 million and $5.1 million as of December 31, 2025 and 2024, respectively. These amounts are split between current and long term on the Consolidated Balance Sheets. As of December 31, 2025 and 2024, $0.3 million and $2.1 million is included in Current non-qualified deferred compensation liability and $3.7 million and $3.0 million in Non-qualified deferred compensation liability, respectively. During the years-ended December 31, 2025 and 2024, the Company had a payout of approximately $1.1 million and $744,000, respectively, in the deferred compensation liability for terminated employees.

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The Company established a COLI to fund the NQDC plan. Amounts in the COLI are invested in a number of funds. The securities are carried at the cash surrender value on the Consolidated Balance Sheets. We record investment gains and losses of the COLI as other income. Refer to Note 4 to the Consolidated Financial Statements for the fair values of the COLI policies and the NQDC liability.

Rabbi Trust

During April 2022, we established a rabbi trust to hold the assets of the NQDC plan. The rabbi trust holds the COLI asset and the common stock from deferred RSU awards that have vested. The NQDC permits diversification of fully vested shares into other equity securities subject to a six month and one day holding period. In accordance with ASR 268, *Redeemable Preferred Stock*, and ASC 718, prior to vesting, the deferred share awards are classified as an equity instrument and changes in fair value of the amount owed to the participant are not recognized. The redemption amounts of the deferred awards are based on the vested percentage and are recorded outside of permanent equity as Non-qualified deferred compensation share awards on the Consolidated Balance Sheets. As of December 31, 2025, no share awards have been deferred. As of December 31, 2024, a total of 244,218 shares awards have been deferred. Vested shares are converted to common stock and are reclassified to permanent equity. Common stock held in the rabbi trust is classified in a manner similar to treasury stock and presented separately on the Consolidated Balance Sheets as Common stock held by the NQDC plan. For the years-ended December 31, 2025 and December 31, 2024 a total of 135,493 and 127,270 shares were vested at the redemption value of $0.6 million and $1.3 million, respectively.

The following table summarizes the eligible share award activity as of December 31, 2025 and December 31, 2024.

	As of	
(in thousands)	**December 31, 2025**	**December 31, 2024**
Non-qualified deferred compensation share awards:		
Balance at beginning of period	$ 244	$ 693
Stock-based compensation expense	24	77
Change in redemption value	(90)	(92)
Vesting of share awards held by NDQC	(178)	(434)
Ending Balance	$ -	$ 244

18. Subsequent Events

The Company has evaluated subsequent events through the filing of this Annual Report on Form 10-K and determined that except as disclosed below, no events have occurred that would require adjustment to, or disclosures in, the Consolidated Financial Statements.

Perceptive Credit Agreement

On January 13, 2026, the Company entered into the Perceptive Credit Agreement and the Security Agreement, by and between the Company, as borrower, and Perceptive. The Perceptive Credit Agreement provides for a five-year senior secured credit facility in an aggregate principal amount of up to $60.0 million (the "Perceptive Loan Facility"), of which $50.0 million was borrowed on the Perceptive Closing Date (the "Perceptive Initial Commitment Amount"). In addition, an aggregate of $10.0 million will be made available, at the Company's discretion, on or before March 31, 2027, subject to certain net revenue requirements. On the Perceptive Closing Date, the Company closed on the Perceptive Initial Commitment Amount, less certain fees and expenses payable to or on behalf of Perceptive. The indebtedness under the Perceptive Credit Agreement will be secured by substantially all of our assets and will accrue interest at a rate equal to the greater of (a) forward-looking one-month term SOFR rate and (b) four percent (4%) per annum, plus seven and a half percent (7.5%).

Under the terms of the Perceptive Credit Agreement, and as set forth in a fee letter between us, and Perceptive (the "Fee Letter"), we will pay certain fees with respect to the Perceptive Loan Facility, including (a) an exit fee equal to 5% of the aggregate principal amount borrowed by us under the Perceptive Credit Agreement in the event that we fail to secure shareholder approval of the issuance of the Warrant (as defined below) in accordance with the rules of the ASX (the "Warrant Shareholder Approval") on or prior to September 30, 2026, and (b) a prepayment premium ranging from 1% to 10% of the amount of the Perceptive Loan Facility that is prepaid upon any voluntary or mandatory prepayment (including as a result of an acceleration), together with certain other fees and expenses of Perceptive.

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The Perceptive Credit Agreement contains certain customary events of default, including with respect to nonpayment of principal, interest, fees or other amounts; material inaccuracy of a representation or warranty; failure to perform or observe covenants; material defaults on other indebtedness; insolvency; loss of certain key permits, persons and contracts; material adverse effects; certain regulatory matters; and change of control. Additionally, the Company's failure to obtain the Warrant Shareholder Approval on or prior to November 30, 2026 shall constitute an event of default under the Perceptive Credit Agreement.

The Perceptive Credit Agreement contains a number of customary representations, warranties and covenants that, among other things, will limit or restrict the ability of the Company and its subsidiaries to (subject to certain qualifications and exceptions): create liens and encumbrances; incur additional indebtedness; merge, dissolve, liquidate or consolidate; make acquisitions, investments, advances or loans; dispose of or transfer assets; pay dividends or make other payments in respect of their capital stock; redeem or repurchase certain debt; engage in certain transactions with affiliates; and enter into certain restrictive agreements. Among such covenants, the Perceptive Credit Agreement includes a financial maintenance test, beginning at the end of the fiscal quarter ending March 31, 2026, that requires the Obligors to maintain a specified minimum net revenue for each trailing twelve-month period ending on the last day of a fiscal quarter occurring prior to the maturity date of the Perceptive Loan Facility. In addition, the Perceptive Credit Agreement requires the Company to ensure that the Obligors maintain in the aggregate at least $5 million of unrestricted cash at all times.

Also on January 13, 2026, and in connection with the entry into the Perceptive Credit Agreement, the Company repaid in full and terminated all of its obligations and commitments under the Previous Credit Agreement.

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Certain identified information has been excluded from the exhibit because it both (i) is not material and (ii) is the type that the Company treats as private or confidential.

SEPARATION AND RELEASE AGREEMENT

This Separation and Release Agreement (the "Agreement") is made and entered into as of October 16, 2025, by and between James Corbett (the "Employee") and AVITA Medical, Inc. (the "Company") (the Employee and the Company collectively referred to as the "Parties," or individually referred to as a "Party").

RECITALS

WHEREAS, the Employee was employed by the Company;

WHEREAS, the Employee entered into an executive employment agreement with the Company with an effective date of September 26, 2022, as amended by the Amendment One to Employment Agreement, dated March 16, 2023 (as amended, the "Employment Agreement");

WHEREAS, the Employee's employment with the Company terminated, effective October 16, 2025 (the "Termination Date"), due to the Company's termination of the Employee without "Cause" (as defined in the Employment Agreement); and

WHEREAS, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that the Employee may have against the Company and any of the Releasees (as defined below), including, but not limited to, any and all claims arising out of or in any way related to the Employee's employment with or separation from the Company;

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and the Employee hereby agree as follows:

COVENANTS

1. Consideration. In consideration of the Employee's execution of this Agreement and the Employee's fulfillment of all of its terms and conditions, and provided that the Employee does not revoke the Agreement under the Acknowledgement of Waiver of Claims under the applicable ADEA Section below, the Company will provide to the Employee the payments and benefits set forth in, and pursuant to, Section 5.5 of the Employment Agreement.

2. Transition Services. Commencing on the Termination Date and ending on January 30, 2026 (such period, the "Transition Period"), the Employee shall be considered a non-employee advisor to the Company (an "Advisor") during which the Employee shall consult on transition matters relating to the Employee's separation from the Company. As consideration for Employee's service as an Advisor, (i) the Employee shall continue to vest in his outstanding equity awards with respect to the Company through January 30, 2026, and (ii) the post-termination exercise period relating to the Employee's outstanding options with respect to the Company shall expire on July 30, 2026. Other than continued vesting of the Employee's outstanding equity awards and the extended post-termination exercise period for the Employee's outstanding options, the Employee shall receive no further consideration for his services as an Advisor during the Transition Period. For the avoidance of doubt, during the Transition Period, the Employee's services as an Advisor shall be below 20% of the Employee's average level of services to the Company and its affiliates over the 36-month period ending on the Termination Date.

3. Final Paycheck; Benefits; Reimbursements.

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a. Final Paycheck; Benefits. The Employee acknowledges that, on October 31, 2025, the Company paid the Employee (i) the Accrued Obligations (as defined in the Employment Agreement) and (ii) the first installment of the severance payments contemplated under the Employment Agreement (the amounts represented in (i) and (ii) resulted in aggregate payments to the Employee (on a gross basis) of $82,845). Further, by executing this Agreement the Employee acknowledges that Employee has submitted any request for expense reimbursement under the Company's applicable expense reimbursement policy and Section 4.5 of the Employment Agreement. Except as set forth in this Agreement or as otherwise required under applicable law (including without limitation the Consolidated Omnibus Reconciliation Act of 1985, as amended ("COBRA"), the Employee's participation in and rights under any Company employee benefit plans and programs will be governed by the terms and conditions of those plans and programs, which plans, programs, terms, and conditions may be amended, modified, suspended or terminated by the Company at any time for any or no reason to the extent permitted by law. In addition, the Company agrees to allow the Employee to keep possession of one Company laptop (the Company laptop that the Employee used when traveling on business for the Company) on the condition that the Employee organizes that such laptop be "wiped" in accordance with the Company's information technology policies and practices at the Company's Irvine location before execution of this Agreement by the Parties.

b. Reimbursements. The Employee agrees that Employee owes the Company an aggregate amount of [***] for credits to Employee's personal airline account and Employee shall reimburse the Company for such amounts, no later than five (5) business days following the date the Employee executes this Agreement, with such payment to be sent to the Company by wire transfer to the following details of the Company's account at Bank of America:

i. [***]

4. Release of Claims. The Employee agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to the Employee by the Company and its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, professional employer organization or co-employer, insurers, trustees, divisions, and subsidiaries, and predecessors, successors, and assigns of each of the foregoing individuals and entities, including, but not limited to, AVITA Medical Americas, LLC (collectively, the "Releasees"). The Employee, on the Employee's own behalf and on behalf of the Employee's respective heirs, family members, executors, agents, and assigns, hereby and forever releases the Releasees from any claim, complaint, charge, duty, obligation, demand, or cause of action relating to any matters of any kind, on an individual or representative basis, whether presently known or unknown, suspected or unsuspected, that the Employee may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until, and including, the date the Employee signs this Agreement, including, without limitation:

a. any and all claims relating to or arising from the Employee's employment relationship with the Company and the termination of that employment relationship;

b. any and all claims relating to, or arising from, the Employee's right to

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purchase, or actual purchase of shares of stock of the Company or AVITA Medical Pty. Limited, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law or under the laws of any other country, and securities fraud under any state or federal law or under the laws of any other country;

c. any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

d. any and all claims for violation of any federal, state, or municipal statute or of any statute of any other country, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Equal Pay Act, the Fair Labor Standards Act, the Fair Credit Reporting Act and similar state laws, the Age Discrimination in Employment Act of 1967 (the "ADEA"), the Older Workers Benefit Protection Act, the Employee Retirement Income Security Act of 1974, the Worker Adjustment and Retraining Notification Act, the Family and Medical Leave Act, the Sarbanes-Oxley Act of 2002, the Immigration Reform and Control Act, the California Family Rights Act, the California Labor Code, the California Workers' Compensation Act, the California Fair Employment and Housing Act, and the Corporations Act 2001 (Cth);

e. any and all claims for violation of the federal or any state constitution;

f. any and all claims arising out of any other laws and regulations of any country relating to employment or employment discrimination;

g. any and all claims arising out of any laws and regulations relating in any way to employment, or the holding of any office (including any directorship) related to employment, under the Australian Commonwealth or any Australian State or Territory jurisdiction; and

h. any and all claims for attorneys' fees and costs.

The Employee agrees that the release set forth in this Section 4 of this Agreement shall be in effect, and remain in effect, in all respects as a complete general release as to the matters released. This release does not waive any right or claim the Employee may have to unemployment compensation benefits or workers' compensation benefits, payment of the Accrued Obligations or severance as provided for in Section 1 of this Agreement and Section 5.5 of the Employment Agreement, any vested rights under the Company's employee benefits plans as applicable on the date the Employee signs this Agreement, or any rights to indemnification under the Company's director and officer insurance and/or executive and officer insurance policies (it being understood and agreed that this Agreement does not create or expand upon any such rights to indemnification), or any claims that the controlling law clearly states may not be released by private agreement.

5. Acknowledgment of Waiver of Claims under the ADEA. The Employee acknowledges that he is waiving and releasing any rights the Employee may have under the ADEA against the Releasees, and any and all damages and disputes that have arisen prior to the date the Employee signs this Agreement, except as expressly stated herein, and that this waiver and release is knowing and voluntary. The Employee agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the date the Employee signs this Agreement. The Employee acknowledges that the consideration given for this waiver and release is in addition to

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anything of value to which the Employee was already entitled. The Employee further acknowledges that the Employee has been advised by this writing that: (a) the Employee should consult with an attorney of his own choosing regarding this Agreement and its effects prior to executing this Agreement, and by executing this Agreement, he acknowledges and represents that he has done so, or has knowingly and voluntarily waived the right to do so; (b) the Employee has twenty-one (21) days within which to consider this Agreement; (c) the Employee has seven (7) days following his execution of this Agreement to revoke this Agreement (the "Revocation Period"); (d) this Agreement shall not be effective until after the Revocation Period has expired without revocation by the Employee; and (e) nothing in this Agreement prevents or precludes the Employee from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by applicable federal law. In the event the Employee signs this Agreement and returns it to the Company in less than the 21-day period identified in subsection (b) of this Section 5 of this Agreement, the Employee hereby acknowledges that he has freely and voluntarily chosen to waive the time period allotted for considering this Agreement. The Employee acknowledges and understands that revocation must be accomplished by a written notification to the undersigned Company representative and that such revocation must be received by the indicated Company representative prior to the Effective Date (as defined in Section 21 below). The Parties agree that changes, whether material or immaterial, do not restart the running of the 21-day period identified in subsection (b) of this Section 5 of this Agreement.

6. California Civil Code Section 1542. The Employee acknowledges that he has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The Employee, being aware of said code section, agrees to expressly waive any rights he may have thereunder, as well as under any other statute or common law principles of similar effect.

7. Other Agreements. Nothing in this Agreement modifies, limits or restricts the Employee's continuing obligations under the Employment Agreement and any other agreements involving the Company to which Employee is a party (collectively, the "Other Agreements"). All such obligations shall remain in full force and effect in accordance with their respective terms.

8. No Pending Actions or Claims. The Employee represents and warrants that (a) the Employee is the sole owner of all claims released in this Agreement, (b) the Employee has not filed or initiated any legal or other proceeding against any of the Releasees (provided, however, that the Employee need not disclose to the Company, and the foregoing representation and warranty in subsection (b) of this Section 8 of this Agreement does not apply to, any Protected Activity (as defined in Section 12 below), (c) the Employee is the sole owner of the claims released in this Agreement, (d) none of these claims has been transferred or assigned, or caused to be transferred or assigned, to any other person, firm or other legal entity, and (e) the Employee has the full right and power to grant, execute, and deliver the releases, undertakings, and agreements contained in this Agreement.

9. Breach. In addition to the rights provided in Section 16 of this Agreement ("Attorneys' Fees"), the Employee acknowledges and agrees that any material breach of this Agreement, unless such breach constitutes a legal action by the Employee challenging or seeking a

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determination in good faith of the validity of the waiver herein under the ADEA, shall entitle the Company immediately to recover and/or cease providing the consideration provided to the Employee under this Agreement and in accordance with Section 5.5 of the Employment Agreement, and to obtain damages, except as provided by law; provided, however, that the Company shall not recover
One Hundred Dollars ($100.00) of the consideration already paid pursuant to this Agreement and Section 5.5 of the Employment Agreement and such amount shall serve as full and complete consideration for the promises and obligations assumed by the Employee under this Agreement.

10. No Admission of Liability. The Employee understands and acknowledges that this Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by the Employee. No action taken by the Company hereto, either previously or in connection with this Agreement, shall be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to the Employee or to any third party.

11. Costs. The Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with the preparation of this Agreement.

12. Protected Activity. The Employee understands that nothing in this Agreement shall in any way limit or prohibit the Employee from engaging for a lawful purpose in any Protected Activity; provided, however, that the Employee agrees not to seek or accept any monetary award from such a proceeding (except with respect to proceedings before the Securities and Exchange Commission (the "SEC")). For purposes of this Agreement, "Protected Activity" shall mean (a) filing a charge, complaint, or report with, or otherwise communicating with, cooperating with or participating in, any investigation or proceeding that may be conducted by any federal, state or local government agency or commission, including the SEC, the Equal Employment Opportunity Commission, the California Civil Rights Department, the Occupational Safety and Health Administration, and the National Labor Relations Board (taken together, the "Government Agencies"), (b) discussing the terms and conditions of the Employee's employment with others to the extent expressly permitted by Section 7 of the National Labor Relations Act, (c) disclosing or discussing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that the Employee has reason to believe is unlawful, or, (d) complying with any applicable law, regulation, or a valid order of a court of competent jurisdiction or an authorized Government Agency, provided that, the Employee's compliance does not exceed the requirements of such law, regulation, or order. The Employee understands that in connection with such Protected Activity, the Employee is permitted to disclose documents or other information to Government Agencies as permitted by law, and without giving notice to, or receiving authorization from, the Company. Notwithstanding the foregoing, the Employee agrees to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company confidential information to any parties other than the relevant Government Agencies. The Employee further understands that "Protected Activity" does not include the disclosure of any Company attorney-client privileged communications, and that any such disclosure without the Company's written consent shall constitute a material breach of this Agreement. However, the Employee covenants and promises that the Employee waives, releases, and will not seek or accept compensation or other personal benefits from the Company arising out of any Government Agency action related to any Released Claims, except for any award in exchange for providing information to the SEC. If the Employee is ever awarded or recovers in any forum any amount from the Company as to any claim released by this Agreement (except under the ADEA, if Employee is lawfully allowed to pursue such a claim, or any bounty or similar award awarded to the Employee by the SEC), the Employee hereby assigns the right to any such amounts to the Company and agrees to immediately tender the same to the Company.

13. No Representations. The Employee represents that he has had an opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the

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provisions of this Agreement. The Employee has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement or the Employment Agreement. The Employee acknowledges that there has been an opportunity to negotiate the terms of this Agreement and that the Agreement will not be interpreted as an employer promulgated agreement.

14. Waiver. No Party shall be deemed to have waived any right, power or privilege under this Agreement or any provisions hereof unless such waiver shall have been duly executed in writing and delivered to the Party to be charged with such waiver. The failure of any Party at any time to insist on performance of any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement or any part hereof. No waiver of any breach of this Agreement shall be held to be a waiver of any other subsequent breach.

15. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, such provision may be modified to the extent necessary so that it is no longer in violation of law, unenforceable or void, and such provision will otherwise be enforced to the fullest extent permitted by law. If such modification is not possible, such provision, except Sections 4 and 5 of this Agreement, will be severed and the remainder of this Agreement shall continue in full force and effect without said provision or portion of provision.

16. Attorneys' Fees. Except with regard to a legal action challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, in the event that either Party brings an action to enforce or effect its rights under this Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including the costs of mediation, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action to the extent permitted by law.

17. Entire Agreement. This Agreement and the continuing obligations that extend beyond the Termination Date, as set forth in the Employment Agreement, represent the entire agreement and understanding between the Company and the Employee concerning the subject matter of this Agreement, and the Employee's employment with and separation from the Company and the events leading thereto and associated therewith.

18. No Oral Modification. This Agreement may only be amended in a writing signed by the Employee and an authorized officer of the Company, except as otherwise provided in Section 15 above.

19. 409A Compliance. This Agreement, and the severance benefits paid under Section 5.5 of the Employment Agreement, are 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, and each payment hereunder (including pursuant to the Employment Agreement) shall be considered a separate payment. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event, and in a manner, that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. Any payments to be made under this Agreement upon a termination of employment shall only be made if such termination of employment constitutes a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any

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portion of any taxes, penalties, interest or other expenses that may be incurred by the Employee on account of non-compliance with Section 409A.

20. Governing Law. This Agreement shall be governed by the laws of the State of California, without regard for choice-of-law provisions. The Employee consents to personal and exclusive jurisdiction and venue in Los Angeles, California.

21. Effective Date. Employee understands that this Agreement shall be null and void if not executed by the Employee, and returned to the Company, by the twenty-one (21) day period set forth in subsection (b) of Section 5 of this Agreement. The Employee has seven (7) days after he executes this Agreement to revoke it. This Agreement will become effective on the eighth (8th) day after the Employee executed and returned this Agreement to the Company, without revocation of the Agreement (the "Effective Date").

22. Counterparts. This Agreement may be executed in counterparts that may be executed, exchanged, and delivered by facsimile, photo, e-mail PDF, or an accredited secure signature service, or other electronic transmission or signature. Each counterpart will be deemed an original and all of which counterparts taken together shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

23. Voluntary Execution of the Agreement. The Employee understands and agrees that he executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of the Employee's claims against the Company and any of the other Releasees. The Employee acknowledges that:

(a) The Employee has read this Agreement;

(b) The Employee has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of the Employee's own choice, or has elected not to retain legal counsel;

(c) The Employee understands the terms and consequences of this Agreement and of the releases it contains; and

(d) The Employee is fully aware of the legal and binding effect of this Agreement.

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IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

James Corbett

/s/ James Corbett

Date: 11/10/2025

AVITA MEDICAL, INC.

/s/ Michael Tarnoff

By: Dr. Michael Tarnoff

Title: Chair, Human Capital and Compensation Committee, Board of Directors of the Company

Date: 11/11/2025

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Exhibit 10.64

AMENDMENT ONE TO EXCLUSIVE DEVELOPMENT AND DISTRIBUTION AGREEMENT

This Amendment One (this "Amendment"), amends the Exclusive Development and Distribution Agreement (the "Agreement"), dated July 31, 2024, by and between AVITA Medical Americas, LLC, located at 28159 Avenue Stanford, Suite 220, Valencia, CA 91355 and Collagen Matrix, Inc. dba Regenity Biosciences, located at 115 West Century Road, Suite 380, Paramus, New Jersey 07652 (each individually referred to as a "Party" and collectively as the "Parties").

WHEREAS, the Parties wish to adjust the timing of certain payments under the Agreement; and

WHEREAS, The Parties wish to modify aspects of revenue sharing under the Agreement; and

WHEREAS, the Parties wish to correct certain scrivener errors regarding the names of a Party.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

(A) In Section 2.2(a)(ii) the date "January 4, 2026" is stricken and replaced with "January 4, 2027".

(B) In Schedule E, the term "60/40" is stricken from the column labeled "[Year #] 3" and replaced with "50/50".

(C) All references in the Agreement (and any of its attachments, exhibits, or statements of work) to "AVITA Medical, Inc." are stricken and replaced with "AVITA Medical Americas, LLC".

This Amendment will become effective as of December 17, 2025 (the "Effective Date"). Except as expressly provided in this Amendment, all of the terms and provisions of the Agreement are and will remain in full force and effect and are hereby ratified and confirmed by the Parties. Without limiting the generality of the foregoing, the amendments contained herein will not be construed as an amendment to or waiver of any other provision of the Agreement or as a waiver of or consent to any further or future action on the part of either Party that would require the waiver or consent of the other Party. On and after the Effective Date, each reference in the Agreement (and any of its attachments, exhibits, or statements of work) to "this Agreement," "the Agreement," "hereunder," "hereof," "herein," or words of like import will mean and be a reference to the Agreement as amended by this Amendment.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized officers below.

AVITA Medical Americas, LLC	Collagen Matrix, Inc. dba Regenity Biosciences
By: /s/ Cary Vance	By: /s/ Peggy Hansen
Cary G. Vance Interim Chief Executive Officer	Peggy Hansen GM CDM / SVP RA/CA/QA

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Exhibit 19

AVITA MEDICAL, INC.

INSIDER TRADING AND SECURITIES DEALING POLICY

Effective as of June 13, 2024

INTRODUCTION

While performing your duties for AVITA Medical, Inc. or AVITA Medical Americas, LLC (collectively, "**AVITA Medical**") you may, at times, have information that is not generally available to the public about AVITA Medical or "Related Entities" (defined below). AVITA Medical has its securities listed on both The Nasdaq Stock Market ("**Nasdaq**") in the United States and also the Australian Securities Exchange ("**ASX**") in Australia, and as a result AVITA Medical, as well as all "Restricted Persons" (defined below) must comply with certain United States federal and state securities laws as well as the Corporations Act of Australia, which collectively prohibit you from trading, or procuring another person to trade, in AVITA Medical securities on the basis of such information or providing that information to others who may trade on the basis of such information.

This Insider Trading and Securities Dealing Policy (this "**Policy**") outlines the conditions under which you may conduct transactions in AVITA Medical securities and in the securities of other companies whose securities may be impacted by non-public information obtained in the course of your duties to AVITA Medical ("**Related Entities**").

This Policy seeks to explain some of your obligations to AVITA Medical and under the law, to prevent actual, or the appearance of, insider trading and to protect AVITA Medical's reputation for integrity and ethical conduct. Insider trading involves trading in a public company's stock or other securities by someone with material non-public information about the company (as further discussed below).

It is your obligation to understand and comply with this Policy.

Should you have any questions regarding this Policy, please contact AVITA Medical's Chief Legal and Compliance Officer, Nicole Kelsey, at nkelsey@avitamedical.com.

This Policy applies globally and is effective upon approval by the Board of Directors of AVITA Medical (the "**Board**") following review and recommendation of the Audit Committee to the Board. The Policy will be reviewed and re-approved on a regular basis and, as part of the Audit Committee's review process, this Policy will be updated as required to reflect appropriate legal and regulatory changes. The Appendix to this Policy summarizes certain provisions of Australian law that apply to you.

PERSONS TO WHOM THIS POLICY APPLIES

This Policy extends to all directors, officers, and employees of AVITA Medical, as well as certain consultants, contractors, or other individuals retained by AVITA Medical. When any of these individuals has access to or is in possession of material non-public information (as

explained below) about AVITA Medical they may be considered insiders.

Additionally, this Policy extends to family members or anyone else residing in your household and any family members, not otherwise residing in your household, whose transactions in securities are directed by you or are subject to your influence or control (e.g., your parents or children). This Policy also applies to any entities that you or other persons who you have a relationship with may influence or control, including any corporations, partnerships, or trusts (charitable or otherwise). All of the above persons or entities are collectively referred to as your "**Restricted Persons**".

You are responsible for the transactions conducted by your Restricted Persons and should make them aware of their obligations under this Policy. Transactions by your Restricted Persons are treated for the purpose of this Policy as if they were undertaken by you or for your benefit. Accordingly, all references to you with regard to trading restrictions or pre-clearance procedures in this Policy also apply to your Restricted Persons.

TRANSACTIONS COVERED BY THIS POLICY

AVITA Medical is a company incorporated under the laws of the State of Delaware in the United States and it has listed its shares of common stock for trading on the Nasdaq. In addition, AVITA Medical's CHESS Depositary Interests (CDIs), being units of beneficial ownership in AVITA Medical's underlying shares of common stock, are listed on the ASX.

Transactions covered by this Policy include purchases and sales of shares of common stock, CDIs, any derivatives securities (such as put or call options) and any debt or other equity securities issued in the future by AVITA Medical or a Related Entity. Trading also includes certain transactions under AVITA Medical equity plans.

MATERIAL NON-PUBLIC INFORMATION

This Policy is designed to prevent illegal trading in securities while you possess material non-public information. Determining what information is material and inside or non-public at any given time can be difficult. Material information is that which would be considered important by a reasonable investor in deciding whether to buy, sell or hold the securities in question. Some examples of information that generally would be considered material may include earnings estimates, significant merger or acquisition proposals or agreements, regulatory approval/rejection of a product, significant expansion or curtailment of operations, litigation problems/disputes, important management changes, research developments or any other important developments, trends or uncertainties which may have an impact on AVITA Medical or a Related Entity. Regulators will scrutinize a questionable trade after the fact with the benefit of hindsight, so it is best always to err on the side of deciding that the information is material and not trade if in doubt. **If you are unsure whether information is material, you should assume that the information is material and not trade in or encourage others to trade in securities to which that information relates. You can also consult with the Chief Legal and Compliance Officer if you have any questions regarding the materiality of non-public information.**

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The standard for assessing whether information is inside or non-public is whether the information is generally available to the public. Information is generally available to the public when it has been released to the public through appropriate channels (e.g., public regulatory filings, by means of an official press release or a statement from one of AVITA Medical's senior officers or designated spokespersons), and enough time has elapsed to

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permit the market to absorb and evaluate the information. Inside information refers to non-public facts on the operations, products/services, pipeline, financial position, etc. regarding AVITA Medical that is not accessible to the public. All insiders must maintain the confidentiality of AVITA Medical information for competitive, security, and other business reasons, as well as to comply with securities laws. **As with questions of materiality, if you are not sure whether information is considered public, you should assume that the information is non-public and treat it as confidential. You can also consult with the Chief Legal and Compliance Officer if you have any questions regarding the confidentiality of certain information.**

Note that the above description of material non-public information is based on applicable U.S. law. For a discussion of the concept under Australian law, please see Appendix 1 to this Policy.

PROHIBITION ON TRADING OR TIPPING OF MATERIAL NON-PUBLIC INFORMATION

While in possession of material non-public information, you are prohibited from buying or selling any AVITA Medical or Related Entity securities or engaging in any other direct or indirect actions to take advantage of material non-public information, or from procuring another person to do so. This is true even if it will cause negative personal consequences (e.g., foregoing gains) or was planned before learning of material non-public information. This prohibition applies to both securities purchases and securities sales, regardless of how or from whom the material non-public information was obtained and continues to apply post- employment until the information becomes public or non-material. You are also prohibited from disclosing material non-public information to others who might use it for trading or might pass it along to others who might trade (referred to as “tipping”). This includes family members or any other person with whom you have a pattern of sharing confidences but can include strangers. You should keep non-public information in utmost confidence.

There are no exceptions to this general prohibition. Small transactions and transactions that may be necessary or justifiable for an independent reason (e.g., raising money for a charity or an emergency) are not excepted. This prohibition also applies to material non-public information relating to Related Entities, including AVITA Medical customers and suppliers. You should treat material non-public information about AVITA Medical’s business partners with the same level of care as information related to AVITA Medical. Information that is not material to AVITA Medical may nevertheless be material to the other entity.

PROHIBITION ON SHORT SELLING, HEDGING TRANSACTIONS AND SHORT-TERM TRADING

Short sales of stock are transactions involving the borrowing of stock, selling it, and then buying stock at a later date to replace the borrowed shares. Short sales generally evidence an expectation on the part of the seller that the securities will decline in value and have the potential to signal to the market a lack of confidence in the company. Consequently, short sales of AVITA Medical securities are prohibited. Similarly, you are prohibited from purchasing or using, directly or indirectly, financial instruments (e.g., swaps, collars, forward contracts, etc.) that are designed to hedge or offset any decrease in the market value of AVITA Medical securities, including both vested and unvested securities.

Short-term trading of AVITA Medical's securities can create a focus on our short-term stock market performance instead of promoting AVITA Medical's long-term business objectives. For these reasons, Designated Persons (as defined herein) who purchase or sell AVITA

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Medical securities in the open market may not sell or purchase any AVITA Medical securities of the same class during the six months following the transaction.

PRE-CLEARANCE ON USE OF MARGIN ACCOUNTS AND PLEDGING OF SECURITIES

If your AVITA Medical securities are held in a margin account or pledged as collateral, they may be sold without your consent under certain circumstances. As a result, a margin or foreclosure sale of AVITA Medical securities could occur when you are otherwise in possession of material non-public information. Consequently, to the extent you desire to enter into a margin trading or pledging arrangement involving AVITA Medical securities, you must first obtain pre-clearance from the Chief Legal and Compliance Officer.

PROHIBITION ON TRADING OUTSIDE OF DESIGNATED OPEN WINDOW PERIODS

Trading in AVITA Medical securities by you may only occur during the designated open window periods. **AVITA Medical has four routine open window periods commencing two Nasdaq trading days following the release of AVITA Medical's annual or quarterly earnings and continuing until the close of trading fourteen days before the last day of AVITA Medical's fiscal quarter. Hence, the closed period begins fourteen days before the end of the fiscal quarter and ends two Nasdaq trading days after the release of AVITA Medical's annual or quarterly earnings.** AVITA Medical has the right to modify an open window period at any time and for any reason or may decide that a trading window should not be opened at all during any quarter. The Board, in its sole discretion, may approve additional open window periods from time to time. For the avoidance of doubt, no person covered by this Policy is permitted to trade or otherwise conduct transactions in AVITA Medical securities outside of the designated open window periods. Moreover, you should note that consummating transactions in AVITA Medical securities, even during an open window period, does not protect you from insider trading violations if you are trading while otherwise in possession of material non-public information. Consequently, you should use good judgment at all times regarding information you may possess. If you have any questions regarding the nature or timing of the open window periods or the application of this policy to your particular situation, please contact AVITA Medical's Chief Legal and Compliance Officer.

In addition to the above, Designated Persons (as defined herein) must also comply with the pre-clearance procedures discussed below, even during open window periods.

PRE-CLEARANCE OF DEALINGS BY DESIGNATED PERSONS

Designated Persons and their Restricted Persons must pre-clear any intended transaction in AVITA Medical securities with the Chief Legal and Compliance Officer, including any transaction during any open window period, not less than two trading days before the date of the intended transaction. To request pre-clearance, you must inform the Chief Legal and Compliance Officer in writing of the following:

- A complete description of the intended transaction (e.g., purchase, sale, gift, contribution), including the number of AVITA Medical securities and how you acquired them (if you proposing to sell or dispose of shares);

- The date and the stock exchange on which the intended transaction is proposed to occur; and
- A representation that you are not then in possession of any material non-public information and that, if you come into possession of material non-public information

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following that time and prior to the transaction subject to the pre-clearance, you understand that any pre-clearance is revoked and will not undertake such transaction.

If you are subject to the requirements of Section 16 of the Securities Exchange Act of 1934, as amended ("**Exchange Act**"), you should also consider whether you have effected any non-exempt transactions that must be reported on an appropriate Form 4 or Form 5. In addition, you should be prepared to comply with Rule 144 under the Securities Act of 1933, as amended ("**Securities Act**"), and requirements to file Form 144.

Designated Persons can only conduct transactions if: (i) the Chief Legal and Compliance Officer approves the specified transaction; and (ii) such person is not otherwise in possession of material non- public information. If the Chief Legal and Compliance Officer approves the intended transaction, such transaction must take place within the open window period following the approval (or such other period specified), at which time the transaction must comply with this Policy and applicable securities laws in all other respects. Subsequent confirmation of the transaction must be provided.

Clearance provided by the Chief Legal and Compliance Officer does not constitute investment advice and if clearance is denied, the denial must be kept confidential and must not be disclosed to anyone.

For purposes of this Policy, "**Designated Persons**" include directors, officers, executive leadership team members, certain employees who work in accounting, finance, legal, compliance, investor relations, commercial operations, and sales, as well as any other person who may have increased access to material non-public information. A complete list of such persons is maintained internally by AVITA Medical. AVITA Medical may change the classification of an employee at any time. All employees who are classified as Designated Persons for purposes of this Policy will be notified of such classification by the Chief Legal and Compliance Officer and will remain classified as a Designated Person until further notice. Additional employees may be temporarily subject to pre-clearance depending on their involvement in specific projects or events. The senior executive overseeing such an employee shall inform the Chief Legal and Compliance Officer who, in turn, will notify the employee prior to the imposition of a pre- clearance requirement.

ADDITIONAL REQUIREMENTS ON CERTAIN DESIGNATED PERSONS

If you are a director, an executive officer, or another reporting person under Section 16 of the Exchange Act (a "**Section 16 Individual**") you must also comply with the reporting obligations and limitations on short-swing transactions set forth in Section 16.

The practical effect of these provisions is that Section 16 Individuals who make "matching" transactions of AVITA Medical's securities within a six-month period (e.g., a purchase within six months prior to a sale, or a sale within six months prior to a purchase) must disgorge all profits from such transactions to AVITA Medical whether or not they had knowledge of any material non-public information.

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The terms “purchase” and “sale” are construed under Section 16(b) to cover a broad range of transactions, including acquisitions and dispositions of shares in tender offers, the receipt and granting of certain options, the acquisition or sale of convertible debt and certain corporate restructurings and reorganizations. Purchases and sales by an insider may be matched with

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transactions by any person (such as certain family members and related or controlled corporations and entities) whose securities may be deemed to be beneficially owned by the insider. Section 16 rules define "beneficial ownership" as having or sharing a direct or indirect pecuniary interest in the securities (the opportunity directly or indirectly to profit or share in the profit derived from a transaction in the securities). Certain transactions (e.g., receipt of awards under AVITA Medical's equity incentive plan) may be exempted from Section 16(b).

If you are a Section 16 Individual, you must immediately report to the Chief Legal and Compliance Officer and the Chief Financial Officer all transactions made in AVITA Medical's securities by you, any family members, and any entities that you control subject to this Policy. AVITA Medical requires same day reporting due to SEC requirements that certain insider reports be filed with the SEC by the second business day after the date on which a reportable transaction occurs. Contact the Chief Financial Officer for assistance with obtaining the required forms (generally Form 3, Form 4, or Form 5). Note that, although AVITA Medical is willing to assist Section 16 Individuals in meeting their Section 16 reporting obligations, it is ultimately the responsibility of the Section 16 Individual to comply with these requirements.

ROLE OF THE CHIEF LEGAL AND COMPLIANCE OFFICER

The Chief Legal and Compliance Officer is responsible for administering this Policy and all determinations and interpretations of this Policy by the Chief Legal and Compliance Officer are final and not subject to further review. The Chief Legal and Compliance Officer will keep a record of all notifications of transactions supplied in accordance with this Policy. The Chief Legal and Compliance Officer may appoint assistants to administer this Policy.

INDIVIDUAL RESPONSIBILITY

You have an ethical and legal obligation to maintain the confidentiality of information about AVITA Medical and not to trade in AVITA Medical securities (or the securities of a Related Entity) while in possession of material non-public information. In all cases, the ultimate responsibility for adhering to this Policy and avoiding improper conduct rests with you, and any action on the part of AVITA Medical, the Chief Legal and Compliance Officer, or any other employee pursuant to this Policy does not constitute legal advice or insulate you from liability under applicable securities laws. In the event of a violation of this Policy, AVITA Medical may take disciplinary action, including, but not limited to, declaring you ineligible for future participation in AVITA Medical's equity incentive plans, and suspension or termination of your employment for cause. In addition, insider trading violations are aggressively pursued by relevant government agencies and violators may be subject to significant legal penalties, including criminal and civil fines and/or imprisonment, under applicable securities law. The same legal penalties apply to those who tip information even if they did not actually trade or benefit.

APPLICABLE LAWS

Applicable law may vary according to the jurisdiction in which AVITA Medical operates and where the applicable transaction occurs. The jurisdictions and applicable laws therein of

significance to most persons covered by this Policy as of the date hereof, include (but may not be limited to):

- **Australia**: *Corporations Act 2001* (Cth): prohibited conduct by persons in possession

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of inside information (1043A), use of position and use of information (ss 182-183), market manipulation (ss1041A), and false or misleading statements (s 1041E); and

- **United States**: Securities Act of 1933, as amended; the Securities Exchange Act of 1934, as amended; the rules and regulations thereunder, and case law interpreting the same.

A summary of the insider trading laws and regulations in Australia applicable as of the date of this Policy are provided as Appendix 1 to this Policy. These laws may change over time or may be subject to new interpretations by relevant courts or administrative bodies. AVITA Medical undertakes no obligation to update the legal summary attached to this Policy or to advise of changes relative to such laws and regulations. You are expected to keep yourself familiar with your legal obligations and to fully comply with those obligations. You are encouraged to retain your own legal counsel in the event you have any question regarding the application of applicable law to your specific situation.

ACKNOWLEDGMENT OF RECEIPT AND UNDERSTANDING OF THIS POLICY

All directors, officers, and employees of AVITA Medical, as well as any consultants, contractors, or other individuals retained by AVITA Medical who are in possession of material non-public information, as well as Designated Persons, must certify that they have received a copy of this Policy and that they understand its contents. In addition, each Designated Person must inform their Restricted Persons of their obligations under this Policy.

LODGING/FILING POLICY WITH GOVERNMENT AGENCY

This Policy will be lodged or filed with any government agency where the law in that particular jurisdiction requires it.

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Appendix 1

AUSTRALIAN LAWS

The following summary is intended to provide you with an overview of applicable Australian securities laws and to highlight important requirements. The law in this area is complex and this Appendix does not cover every issue or situation. You should consult your own legal counsel as issues arise, and you should make yourself familiar with applicable legal requirements and with the requirements of the AVITA Medical Insider Trading and Securities Dealing Policy ("**Policy**"). In addition, you may wish to obtain your own legal advice or financial advice before you trade in securities. As used in this Appendix, AVITA Medical is referred to as the "**Company**".

The Policy does not in any way limit your obligations under applicable law. In addition, you are required to comply with all provisions of the Policy even if the laws of any applicable jurisdiction do not prevent you from acting in that way, or do not specifically require a certain provision of the Policy.

Should you have any questions regarding the information contained in this Appendix 1, please contact the Chief Legal and Compliance Officer.

INSIDER TRADING

Section 1043A of the *Corporations Act 2001* (Cth) ("**Corporations Act**") prohibits insider trading. The section applies where a person is in possession of information and:

- the information is not generally available;
- a reasonable person would have expected that information to have a material effect on the price or value of a security if it was generally available;
- the person knew, or ought reasonably to have known, that the information was not generally available and if it were so, a reasonable person would expect it to affect the price or value of the security.

If the section applies, it is an offence for the person to:

(a) whether as a principal or agent subscribe for, or enter into an agreement to subscribe for, purchase or sell, securities;

(b) procure another person to subscribe for, purchase or sell securities; and

(c) communicate information to another person with the knowledge that the person will or is likely to do (a) or (b).

For the purposes of section 1043A, information is "generally available" where the information is either readily observable or made known in a manner that would bring it to the attention of people who commonly invest in securities of the kind whose price or value would be affected by the information.

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Section 1043A of the Corporations Act does not require that the insider be connected with the company whose securities are traded. It is sufficient that the person has information that is not generally available and has undertaken one of the acts prescribed above.

The penalties for breach of the statutory prohibitions of the Corporations Act may result in:

- criminal liability – penalties include heavy fines and imprisonment of up to 10 years;
- civil liability – including being sued by another party or the Company for any loss resulting from illegal trading activities; and
- civil penalty provisions – the Australian Securities and Investments Commission may seek civil penalties against you personally and may even seek a court order that you be disqualified from managing a corporation.

PROHIBITION ON IMPROPER USE OF INFORMATION

Use of information obtained as a director, officer, or employee of the Company for the person's own gain may breach duties of confidence and of good faith owed to the Company under Australian corporate law. Sections 182 and 183 of the Corporations Act prohibit directors, officers, and employees of a company from making improper use of their position as a director, officer or employee or information gained by virtue of that position to gain directly or indirectly an advantage for him or herself or for any other person or to cause detriment to the Company. Contravention of sections 182 and 183 may render a director, officer, or employee liable for a monetary penalty or imprisonment.

MARKET MANIPULATION

Section 1041A of the Corporations Act prohibits certain transactions that have the effect of creating an artificial price or maintaining prices at an artificial level.

Section 1041B of the Corporations Act prohibits any action or omission which is calculated to create a false or misleading appearance of active trading in any securities on a stock market, or to create a false or misleading appearance concerning the market for or the price of such securities. The section prohibits certain conduct, including purchases or sales of securities which do not involve a change in the beneficial ownership of the securities, and which influence the market price of the securities.

FALSE OR MISLEADING STATEMENTS

Section 1041E of the Corporations Act prohibits making a statement or disseminating information that is false in a material particular or materially misleading and is likely to induce the sale or purchase of or subscription for securities or to affect the market price of the securities where a person does not care whether the statement is true or false or knows

or ought reasonably to have known that the statement or information was false in a material particular or materially misleading.

Section 1041F of the Corporations Act prohibits a person from inducing another person to deal in securities: by making or publishing a statement, promise or forecast if the person knows, or is reckless as to whether, the statement is misleading, false or deceptive; or

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- by dishonest concealment of material facts; or

- by recording or storing information that the person knows to be false or misleading in a material particular or materially misleading, if:

    - the information is recorded or stored in, or by means of, a mechanical, electronic or other device; and

    - when the information was recorded or stored, the person had reasonable grounds for expecting that it would be available to the other person, or a class of persons that includes the other person.

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Exhibit 21.1

List of Subsidiaries

Subsidiary Name	Place of Incorporation	% Held	Business Purpose
AVITA Medical Americas, LLC	Delaware	100	U.S. operations

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Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated February 12, 2026, with respect to the consolidated financial statements included in the Annual Report of AVITA Medical, Inc. on Form 10-K for the year ended December 31, 2025. We consent to the incorporation by reference of said report in the Registration Statements of AVITA Medical, Inc. on Form S-3 (File No. 333-271276, effective date April 25, 2023) and on Forms S-8 (File No. 333-289439, effective August 8, 2025, File No. 333-281424, effective date August 8, 2024; File No. 333-273072, effective date June 30, 2023; File No. 333-250924, effective date November 24, 2020; and File No. 333-248446, effective date August 27, 2020).

/s/ GRANT THORNTON LLP

Newport Beach, California
February 12, 2026

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Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Cary Vance, certify that:

1. I have reviewed this annual report on Form 10-K for the fiscal year ended December 31, 2025 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-15(e) and 15d-15(e)) 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 most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) 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 control over financial reporting.

Date: February 12, 2026

/s/ Cary Vance
Name: Cary Vance
Title: Interim Chief Executive Officer

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Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David O'Toole, certify that:

1. I have reviewed this annual report on Form 10-K for the fiscal year ended December 31, 2025 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-15(e) and 15d-15(e)) 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 most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) 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 control over financial reporting.

Date: February 12, 2026

/s/ David O'Toole
Name: David O'Toole
Title: Chief Financial Officer

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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 annual period ended December 31, 2025 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: February 12, 2026

/s/ Cary Vance
Name: Cary Vance
Title: Interim Chief Executive Officer

Dated: February 12, 2026

/s/ David O'Toole
Name: David O'Toole
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.

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Exhibit 97.1

AVITA MEDICAL, INC.

INCENTIVE-BASED COMPENSATION RECOVERY POLICY

ADOPTED NOVEMBER 8, 2023

1. Policy Purpose. The purpose of this AVITA Medical, Inc. (and its subsidiaries and affiliates) (the "Company") Incentive-Based Compensation Recovery Policy (the "Policy") is to enable the Company to recover Erroneously Awarded Compensation in the event that the Company is required to prepare an Accounting Restatement. This Policy is intended to comply with the requirements set forth in Listing Rule 5608 of the corporate governance rules of The Nasdaq Stock Market (the "Listing Rule") and shall be construed and interpreted in accordance with such intent. Unless otherwise defined in this Policy, capitalized terms shall have the meaning ascribed to such terms in Section 7. This Policy shall become effective on December 1, 2023. Where the context requires, reference to the Company shall include the Company's subsidiaries and affiliates (as determined by the Committee in its discretion).

2. Policy Administration. This Policy shall be administered by the Compensation Committee of the Board (the "Committee") unless the Board determines to administer this Policy itself. The Committee has full and final authority to make all determinations under this Policy. All determinations and decisions made by the Committee pursuant to the provisions of this Policy shall be final, conclusive and binding on all persons, including the Company, its affiliates, its stockholders and Executive Officers. Any action or inaction by the Committee with respect to an Executive Officer under this Policy in no way limits the Committee's actions or decisions not to act with respect to any other Executive Officer under this Policy or under any similar policy, agreement or arrangement, nor shall any such action or inaction serve as a waiver of any rights the Company may have against any Executive Officer other than as set forth in this Policy.

3. Policy Application. This Policy applies to all Incentive-Based Compensation received by a person: (a) after October 2, 2023, and beginning service as an Executive Officer; (b) who served as an Executive Officer at any time during the performance period for such Incentive-Based Compensation; (c) while the Company had a class of securities listed on a national securities exchange or a national securities association; and (d) during the three completed fiscal years immediately preceding the Accounting Restatement Date. In addition to such last three completed fiscal years, the immediately preceding clause (d) includes any transition period that results from a change in the Company's fiscal year within or immediately following such three completed fiscal years; provided, however, that a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to twelve months shall be deemed a completed fiscal year. For purposes of this Section 3, Incentive-Based Compensation is deemed received in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period. For the avoidance of doubt, Incentive-Based Compensation that is subject to both a Financial Reporting Measure vesting condition and a service-based vesting condition shall be considered received when the relevant Financial Reporting Measure is achieved, even if the Incentive-Based Compensation continues to be subject to the service-based vesting condition.

4. Policy Recovery Requirement. In the event of an Accounting Restatement, the Company must recover, reasonably promptly, Erroneously Awarded Compensation, in amounts determined pursuant to this Policy. The Company's obligation to recover Erroneously Awarded Compensation is not dependent on if or when the Company files restated financial statements. Recovery under this Policy with respect to an Executive Officer shall not require the finding of any misconduct by such Executive Officer or such Executive Officer being found responsible for the accounting error leading to an Accounting

Restatement. In the event of an Accounting Restatement, the Company shall satisfy the Company's obligations under this Policy to recover any amount owed from any applicable Executive Officer by exercising its sole and absolute discretion in how to accomplish such recovery. The Company's recovery obligation pursuant to this Section 4 shall not apply to the extent that the Committee, or in the absence of the Committee, a majority of the independent directors serving on the Board, determines that such recovery would be impracticable and:

a. The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Company must make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Stock Exchange; or

b. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the registrant, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Code.

5. Policy Prohibition on Indemnification and Insurance Reimbursement. The Company is prohibited from indemnifying any Executive Officer or former Executive Officer against the loss of Erroneously Awarded Compensation. Further, the Company is prohibited from paying or reimbursing an Executive Officer for purchasing insurance to cover any such loss.

6. Required Policy-Related Filings. The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the Federal securities laws, including disclosures required by U.S. Securities and Exchange Commission filings.

7. Definitions.

a. "Accounting Restatement" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

b. "Accounting Restatement Date" means the earlier to occur of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if the Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; and (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

c. "Board" means the board of directors of the Company.

d. "Code" means the U.S. Internal Revenue Code of 1986, as amended. Any reference to a section of the Code or regulation thereunder includes such section or regulation, any valid regulation or other official guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing, or superseding such section or regulation.

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e. "Erroneously Awarded Compensation" means, in the event of an Accounting Restatement, the amount of Incentive-Based Compensation previously received that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts in such Accounting Restatement, and must be computed without regard to any taxes incurred or paid by the relevant Executive Officer; provided, however, that for Incentive-Based Compensation based on stock price or total stockholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement: (i) the amount of Erroneously Awarded Compensation must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total stockholder return upon which the Incentive-Based Compensation was received; and (ii) the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to the Stock Exchange.

f. "Executive Officer" means the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. An executive officer of the Company's parent or subsidiary is deemed an "Executive Officer" if the executive officer performs such policy making functions for the Company. For the avoidance of doubt, "Executive Officer" includes, but is not limited to, any person identified as an executive officer pursuant to Item 401(b) of Regulation S-K under the U.S. Securities Act of 1933, as amended.

g. "Financial Reporting Measure" means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measure that is derived wholly or in part from such measure; provided, however, that a Financial Reporting Measure is not required to be presented within the Company's financial statements or included in a filing with the U.S. Securities and Exchange Commission to qualify as a "Financial Reporting Measure." For purposes of this Policy, "Financial Reporting Measure" includes, but is not limited to, stock price and total stockholder return.

h. "Incentive-Based Compensation" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

i. "Stock Exchange" means the national stock exchange on which the Company's common stock is listed.

8. Acknowledgement. Each Executive Officer shall sign and return to the Company, within 30 calendar days following the later of (i) the effective date of this Policy first set forth above or (ii) the date the individual becomes an Executive Officer, the Acknowledgement Form attached hereto as Exhibit A, pursuant to which the Executive Officer agrees to be bound by, and to comply with, the terms and conditions of this Policy.

9. Committee Indemnification. Any members of the Committee, and any other members of the Board who assist in the administration of this Policy, shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be fully indemnified by the Company to the fullest extent under applicable law and Company policy with respect to any such action, determination or interpretation. The foregoing sentence shall not limit any other rights to indemnification of the

members of the Board under applicable law or Company policy.

10. Severability. The provisions in this Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision shall be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

11. Amendment; Termination. The Board may amend this Policy from time to time in its sole and absolute discretion and shall amend this Policy as it deems necessary to reflect the Listing Rule. The Board may terminate this Policy at any time.

12. Other Recovery Obligations; General Rights. To the extent that the application of this Policy would provide for recovery of Incentive-Based Compensation that the Company recovers pursuant to Section 304 of the Sarbanes-Oxley Act or other recovery obligations, the amount the relevant Executive Officer has already reimbursed the Company will be credited to the required recovery under this Policy. This Policy shall not limit the rights of the Company to take any other actions or pursue other remedies that the Company may deem appropriate under the circumstances and under applicable law. To the maximum extent permitted under the Listing Rule, this Policy shall be administered in compliance with (or pursuant to an exemption from the application of) Section 409A of the Code.

13. Successors. This Policy is binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.

14. Governing Law; Venue. This Policy and all rights and obligations hereunder are governed by and construed in accordance with the internal laws of the State of Delaware, excluding any choice of law rules or principles that may direct the application of the laws of another jurisdiction. All actions arising out of or relating to this Policy shall be heard and determined exclusively in the Court of Chancery of the State of Delaware or, if such court declines to exercise jurisdiction or if subject matter jurisdiction over the matter that is the subject of any such legal action or proceeding is vested exclusively in the U.S. Federal courts, the U.S. District Court for the District of Delaware.

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EXHIBIT A

AVITA MEDICAL, INC.
INCENTIVE-BASED COMPENSATION RECOVERY POLICY

ACKNOWLEDGEMENT FORM

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the AVITA Medical, Inc. (and its subsidiaries and affiliates) (the "Company") Incentive-Based Compensation Recovery Policy (the "Policy").

By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with the Company. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation (as defined in the Policy) to the Company to the extent required by, and in a manner consistent with, the Policy. Further, by signing below, the undersigned agrees that the terms of the Policy shall govern in the event of any inconsistency between the Policy and the terms of any employment agreement to which the undersigned is a party, or the terms of any compensation plan, program or agreement under which any compensation has been granted, awarded, earned or paid.

EXECUTIVE OFFICER

_____
Signature

_____
Print Name

_____
Date

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Exhibit 99.1

Australian Disclosure Matters For FY 2025

Principal Stockholders and Management

The following table provides certain information regarding the ownership of our common stock (including our CDIs), as of January 26, 2026 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 named executive officers and Directors as a group. The table also sets out the names of all persons (to the best of the Company's knowledge) 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.

Unless otherwise indicated in the table or the related notes, the address for each person named in the table is c/o AVITA Medical, Inc., 28159 Avenue Stanford Suite 220, Valencia, CA 91355.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership [1]		Percentage of Class [2]
	Directors and named executive officers:			
Common Stock	Jan Stern Reed	74,765	(3)	*
Common Stock	Professor Suzanne Crowe	65,763	(4)	*
Common Stock	Jeremy Curnock Cook	58,665	(5)	*
Common Stock	Robert McNamara	97,161	(6)	*
Common Stock	Dr. Michael Tarnoff	-		*
Common Stock	Joe Woody	-		*
Common Stock	Cary Vance	46,161	(7)	*
Common Stock	David O'Toole	264,991	(8)	*
Common Stock	Nicole Kelsey	71,667	(9)	*
	All executive officers and directors as a group (9 persons)	**679,173**		**2.22%**

* 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 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 30,571,662 shares of our common stock issued and outstanding as of January 26, 2026 (including common stock represented by CDIs). Common stock subject to options or RSUs exercisable within 60 days of January 26, 2026 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) Reflects 51,011 shares of common stock, and 23,754 shares of stock options to acquire 23,754 shares of our common stock exercisable within 60 days of January 26, 2026.

(4) Reflects 42,336 shares of common stock, 22,990 CDIs, which represent 4,598 shares of our common stock, and 18,829 shares of stock options to acquire 18,829 shares of our common stock exercisable within 60 days of January 26, 2026.

(5) Reflects 39,836 shares of common stock, and 18,829 shares of stock options to acquire 18,829 shares of our common stock exercisable within 60 days of January 26, 2026.

(6) Reflects 83,313 shares of common stock and 13,848 shares of stock options to acquire 13,848 shares of our common stock exercisable within 60 days of January 26, 2026.

(7) Reflects 32,313 shares of common stock and 13,848 shares of stock options to acquire 13,848 shares of our common stock exercisable within 60 days of January 26, 2026.

(8) Reflects 31,657 shares of common stock and 233,334 shares of stock options to acquire 233,334 shares of our common stock exercisable within 60 days of January 26, 2026.

(9) Reflects 71,667 shares of stock options to acquire 71,667 shares of our common stock exercisable within 60 days of January 26, 2026.

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 listed on the ASX, 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 bylaws or by an agreement signed with the holders of shares on issue. The Company's certificate of incorporation and bylaws do not impose any specific

restrictions on the transfer of its shares. However, provisions of the Delaware General Corporation Law, the Company's certificate of incorporation and the Company's bylaws 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 of Directors may consider inadequate and encourage persons seeking to acquire control of the Company to first negotiate with the Board of Directors.

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 Australian Governance Principles. The Corporate Governance Statement sets out the Australian Governance Principles and the Company's response as to how and whether it follows its recommendations. Where the Company's practices depart from a recommendation, the Company has 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 November 5, 2025 and approved by the Board of Directors remains accurate as of the date of this Annual Report on Form 10-K.The Company's Corporate Governance Statement is located on our website at https://ir.avitamedical.com/corporate-governance.

Issued Capital

As of January 26, 2026, the Company's issued share capital was as follows:

- 30,571,662 shares of common stock, of which:
  - 12,971,846 shares of common stock were held by 4 stockholders of record quoted on Nasdaq; and
  - 17,599,816 shares of common stock were held by CHESS Depositary Nominees Pty Limited ("Authorized Nominee") (on behalf of 18,051 CDI securityholders) representing 87,999,080 CDIs quoted on ASX.

As of January 26, 2026, the following unquoted securities were on issue, which entitle the holders of those securities, upon vesting of their conversion rights, to be issued shares of common stock (including in certain cases in the form of CDIs) of the Company:

- the equivalent of 4,531,655 unquoted options held amongst 121 option holders. Specifically:
  - the equivalent of 15,330 options are on issue to Mr. Cary Vance, Interim CEO;
  - the equivalent of 4,516,325 options were granted (and are on issue) to 120 employees and directors of the Company under Avita Australia's 2016 Equity Incentive Plan and 2020 Equity Incentive Plan, the Company's 2020 Omnibus Incentive Plan Amended and Restated, and the Company's 2021, 2022, 2023, 2024, and 2025 AGM Awards; and
- the equivalent of 3,458 RSUs held by 1 employees of the Company under the Company's 2024 AGM Awards.

As of January 26, 2026, the Company does not have any restricted securities that are on issue or any securities subject to voluntary escrow that are on issue.

Voting Rights

The Company's bylaws 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, provided, in case of voting, that the relevant steps as set out below are complied with by the CDI holder. 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 Authorized 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 Authorized 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

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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 at the Company's general meetings.

Substantial Stockholders

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 as of January 26, 2026

Below is a distribution schedule of the number of holders of common stock and CDIs, categorized by the size of their holdings, based on the Company's registers as of January 26, 2026.

	Common Stock		
	Number of Holders of Record	**Shares of common stock**	**Percentage of total common stock ownership (1)**
1 - 1,000	1	20	0.00%
1,001 - 5,000	-	-	
5,001 - 10,000	-	-	
10,001 - 100,000	1	56,944	0.19%
100,001 - and over	1	12,971,826	42.43%
	3	13,028,790	

(1) Percentage of ownership is based on 30,571,662 shares of our common stock issued and outstanding as of January 26, 2026 (including common stock represented by CDIs).

	CDIs		
	Number of Holders	**Number of common stock equivalents (CDIs divided by 5) (1)**	**Percentage of total common stock ownership (2)**
1 - 1,000	10,845	770,685	2.52%
1,001 - 5,000	4,571	2,271,242	7.43%
5,001 - 10,000	1,210	1,858,734	6.08%
10,001 - 100,000	1,334	7,177,985	23.48%
100,001 - and over	91	5,521,170	18.06%
	18,051	17,599,816	

(1) Assuming all CDIs are held as common stock of the Company, with 5 CDIs representing a beneficial ownership interest in one share of common stock of the Company.

(2) Percentage of ownership is based on 30,493,411 shares of our common stock issued and outstanding as of January 26, 2026 (including common stock represented by CDIs).

The number of holders holding less than a marketable parcel of securities

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) as of January 26, 2026 was as follows:

- 6,744 holders of less than a marketable parcel of CDIs.
- No common stockholders owning less than a marketable parcel of shares of common stock.

Buy-back of securities

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

Twenty Largest Holders as of January 26, 2026

Below are statements of the 20 largest stockholders and CDI holders, and the number and percentage of issued common stock held by those holders, based on the Company's registers as of January 26, 2026 (assuming all CDIs are held as common stock of the Company, with 5 CDIs representing a beneficial ownership interest in one share of common stock of the Company).

		Common Stock	
Rank	**Name**	**Shares of common stock**	**Percentage of total common stock outstanding (1)**
1	CEDE & CO	30,514,698	99.81%
2	ARLENE O E PERRY	56,944	0.19%
3	GARY L ORLOFF	20	0.00%
	Total	**30,571,662**	

(1) Percentage of ownership is based on 30,571,662 shares of our common stock issued and outstanding as of January 26, 2026 (including common stock represented by CDIs).

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CDIs

Rank	Name	Number of Common stock equivalents (CDIs divided by 5) (1)	Percentage of total common stock outstanding (2)
1	CITICORP NOMINEES PTY LIMITED	573,756	1.88%
2	UBS NOMINEES PTY LTD	496,744	1.62%
3	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	427,651	1.40%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	230,303	0.75%
5	L & Y SMSF HOLDINGS PTY LTD <L & Y FAMILY SUPER FUND A/C>	198,000	0.65%
6	MR EVAN PHILIP CLUCAS + MS LEANNE JANE WESTON <KURANGA NURSERY SUPER A/C>	183,609	0.60%
7	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	136,659	0.45%
8	MR DAVID ANTHONY DEELEN	115,022	0.38%
9	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	112,741	0.37%
10	MR CHI-NAN CHEN + MRS JUI-LAIN TENG <THE CHEN SUPERANNUATION A/C>	88,407	0.29%
11	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	85,011	0.28%
12	SWETHA INTERNATIONAL PTY LTD	83,244	0.27%
13	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	77,139	0.25%
14	FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	72,427	0.24%
15	DR GIRISH SRICANT TALAULIKAR + DR DIPTI TALAULIKAR	71,000	0.23%
16	IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	65,564	0.21%
17	BNP PARIBAS NOMS PTY LTD	63,378	0.21%
18	MR ANDRE WALL ELLIS + MRS OLIVIA LOUISE ELLIS	60,000	0.20%
19	DR DONALD LIU + MRS WENDY YAO <LIU-YAO FAMILY S/F A/C>	60,000	0.20%
20	MRS ARLENE PERRY	60,000	0.20%
	Total	3,260,655	
	Remaining CDI Holders	14,339,161	
	Total common stock held with CDI shares	17,599,816	

(1) Assuming all CDIs are held as shares of common stock of the Company, with 5 CDIs representing a beneficial ownership interest in one share of common stock in the Company.

(2) Percentage of ownership is based on 30,571,662 shares of our common stock issued and outstanding as of January 26, 2026 (including common stock represented by CDIs).

General Information

The name of our Secretary is Nicole Kelsey.

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/o Acclime Ltd (formerly Merton's Corporate Services), Level 7, 330 Collins Street, Melbourne VIC 3000, Australia and our telephone number there is +61 3 8689 9997.

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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: +1 866-644-4127.

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.

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