ASX/News Release

Avita Medical initiates legal proceedings to cancel Renovacare patent

Valencia, CA, USA, Perth, Australia and Cambridge, United Kingdom, 11 May 2017 — Avita Medical Limited (ASX:AVH; OTCQX:AVMXY), a regenerative medicine company focused on the treatment of wounds and skin defects, has filed an *Inter Partes* Review (IPR) petition against US Patent No. 9,610,430 (the '430 patent) owned by Renovacare Sciences Corp., as Avita holds that all claims in the '430 patent are unpatentable and should be cancelled.

Avita filed the IPR challenge with the US Patent Trial and Appeal Board (PTAB), which has accepted the petition and will now decide whether the case should come to trial. The IPR process allows a petitioner to challenge the validity of a patent by looking at prior art consisting of patents and printed publications. Avita's IPR petition has been assigned the Review Number IPR2017-01243.

"We believe we have presented a very strong rationale to the PTAB as to why this patent should never have been issued, and thus, we respectfully request that all claims in the '430 patent should be cancelled," said Avita CEO Adam Kelliher. "Avita is a pioneer in the regenerative medicine arena, and we are very protective of our intellectual property rights."

# # #

ABOUT AVITA MEDICAL LIMITED

Avita's patented and proprietary collection and application technology provides innovative treatment solutions derived from the regenerative properties of a patient's own skin. Our medical devices work by preparing a Regenerative Epithelial Suspension (RES™), an autologous suspension comprised of the patients' own skin cells and wound healing factors that are necessary to regenerate natural healthy skin. This is then applied to the area to be treated.

In all countries outside of Europe, our portfolio is marketed under the ReCell® brand to promote skin healing in a wide range of applications including burns, chronic wounds and aesthetics.

ReCell® is TGA-registered in Australia, and CFDA-cleared in China. In the United States, ReCell® is an investigational device limited by federal law to investigational and compassionate use.

In Europe, our portfolio of medical device products received CE-mark approval as three tailored product presentations, with three individual brand names. ReCell® is designed for the treatment of burns and plastic reconstructive procedures; ReGenerCell™ has been formulated for chronic wounds including leg and foot ulcers; and ReNovaCell™ is tailored for aesthetic applications including the restoration of pigmentation.

To learn more, visit www.avitamedical.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This letter includes forward-looking statements. These forward-looking statements generally can be identified by the use of words such as "anticipate," "expect," "intend," "could," "may," "will," "believe," "estimate," "look forward," "forecast," "goal," "target," "project," "continue," "outlook," "guidance," "future," other words of similar meaning and the use of future dates. Forward-looking statements in this letter include, but are not limited to, statements concerning, among other things, our ongoing clinical trials and product development activities, regulatory approval of our products, the potential for future growth in our business, and our ability to achieve our key strategic, operational and financial goal. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Each forward-looking statement contained in this letter is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statement. Applicable risks and uncertainties include, among others, the timing of regulatory approvals of our products; physician acceptance, endorsement, and use of our products; failure to achieve the anticipated benefits from approval of our products; the effect of regulatory actions; product liability claims; risks associated with international operations and expansion; and other business effects, including the effects of industry, economic or political conditions outside of the company's control. Investors should not place considerable reliance on the forward-looking statements contained in this letter. Investors are encouraged to read our publicly available filings for a discussion of these and other risks and uncertainties. The forward-looking statements in this letter speak only as of the date of this release, and we undertake no obligation to update or revise any of these statements.

###

FOR FURTHER INFORMATION:

Avita Medical Ltd Adam Kelliher Chief Executive Officer Phone: +44 020 8947 9804 akelliher@avitamedical.com **Avita Medical Ltd** Tim Rooney Chief Financial Officer Phone: + 1 (661) 367-9170 trooney@avitamedical.com	**Australia** **Monsoon Communications** Sarah Kemter Phone: +61 (0)3 9620 3333 Mobile: +61 (0)407 162 530 sarahk@monsoon.com.au **USA** **Westwicke Partners** Jamar Ismail Phone +1 (415) 513-1282 jamar.ismail@westwicke.com