

ASM Media Release

Business Update

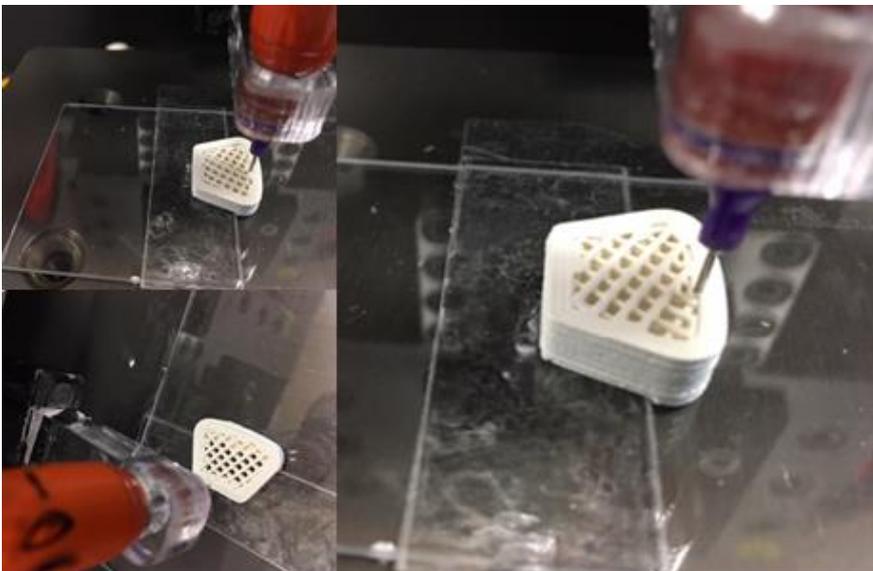
**Exciting Collaborative Development to the
Sr-HT-Gahnite Bone Substitute Project.**

SYDNEY 31st October 2016 – Allegra Orthopaedics Limited (Allegra) (ASX: AMT) provides the following business update:

1. Sr-HT-Gahnite Bone Substitute Project.

Allegra in collaboration with ANFF (Australian National Fabrication Facility) at University of Wollongong have been successful in 3D printing the novel bioceramic (Sr-HT-Gahnite) spinal cage with solid boundaries. This novel bioceramic material was invented by Sydney University and is being commercialised by Allegra. The product is currently undergoing testing and validation and will act as a scaffold on which the body can regenerate new bone.

This development is receiving increased attention from the surgical arena.



3D printed bioceramic (Sr-HT Gahnite) spinal cage

Overall the results of the animal study are promising, with ongoing bone formation being evident in all the samples. The 12 month large animal study will be concluded shortly (end of October 2016) and evaluation at this time point of one year is expected to indicate significantly greater bone ingrowth and bridging of the defect.

Allegra Orthopaedics Limited

Level 8, 18-20 Orion Rd, Lane Cove West NSW 2066 Australia; PO Box 72 St Leonards NSW 2065 Australia

T +612 9119 9200 **T** Toll Free 1800 644 370

F +612 9439 4441 **F** Toll Free 1800 624 223

E sales@allegraorthopaedics.com **W** www.allegraorthopaedics.com

Under Allegra's expanded license with the University of Sydney, the Bioceramic may also be developed for applications including – but not limited to – coatings to improve the long-term stability of implantable medical devices, drug delivery, and skeletal tissue regeneration.

Allegra's Executive Chairman, Peter Kazacos commented that "It is very exciting to see the progress being made in developing this Australian innovation. We believe this could create a significant shift in the future of orthopaedics"

2. Financial Results for Q1 FY2017.

Allegra is pleased to provide following summary of the key financial results (unaudited) for the first quarter of FY 2017 (i.e.: 1st July to 30th September). The figures quoted are in thousands (\$'000)

	3months to Sep 30 2016
Revenue:	\$1,259
Other Income:	\$ 203
EBITDA	\$ 170
Net Profit	\$ 61
Cash on Hand	\$ 732

The financial performance indicated above, reflects Allegra's new business structure and is the realisation of the significant changes implemented during the previous financial year. These changes included a material reduction in staff costs related to functions no longer performed in-house, a material reduction in office facility costs due to Allegra relocating to a more cost efficient office in Lane Cove and cost savings associated with outsourcing of its manufacturing activities.

Contact details:

Peter Kazacos – Executive Chairman

Allegra Orthopaedics

T: 02 9119 9200

Allegra Orthopaedics Limited

Level 8, 18-20 Orion Rd, Lane Cove West NSW 2066 Australia; PO Box 72 St Leonards NSW 2065 Australia

T +612 9119 9200 **T** Toll Free 1800 644 370

F +612 9439 4441 **F** Toll Free 1800 624 223

E sales@allegraorthopaedics.com **W** www.allegraorthopaedics.com

ABOUT ALLEGRA ORTHOPAEDICS

We aim to help bring the freedom and happiness of pain-free movement to people's lives. We achieve this through providing the best possible solutions for patients, from world-wide industry leading orthopaedic products through to Australian innovations.

Allegra's principal product, the Active Total Knee, has significantly improved the quality of life for many people and remains a focussed product line. The company is pleased to continue to build upon its extensive portfolio of patents. It has extensive research relationships with universities, companies and surgeon inventors, including its global licensee to the composite biocompatible ceramic material known as Sr-HT- Gahnite from the University of Sydney. Allegra also has a well- developed range of products for distribution from international suppliers covering all specialities from foot and ankle to upper limb.

Allegra Orthopaedics Limited

Level 8, 18-20 Orion Rd, Lane Cove West NSW 2066 Australia; PO Box 72 St Leonards NSW 2065 Australia

T +612 9119 9200 **T** Toll Free 1800 644 370

F +612 9439 4441 **F** Toll Free 1800 624 223

E sales@allegraorthopaedics.com **W** www.allegraorthopaedics.com