

ASX Media Release

Sr-HT-Gahnite Bone Substitute

Project Update

SYDNEY 25 August 2017 – Allegra Orthopaedics Limited (Allegra) (ASX: AMT) provides the following the update:

The Sr HT–Gahnite Bone substitute project ('Bone Project') continues to make excellent progress.

The histology report has indicated that all the samples containing the Sr-HT gahnite scaffolds showed promising ingrowth of bone through the scaffold which in some cases completely bridged the defect. The bone formed was interconnected and integrated with remaining tibial bone. Bone structure was more mature near the defect edges indicating that bone formation was progressing from the defect edges, through the scaffold, toward the centre of the defect. There was no evidence of inflammation or formation of fibrous tissue indicating good biocompatibility of the Sr-HT Gahnite.

After careful consideration of the various commercial applications of this unique bone substitute technology, Allegra will commence with interbody cervical spinal cages as the initial product offering. This device has the potential to be the world's first fully synthetic spinal cage that can regenerate bone under spinal load (structurally integral) conditions and be completely absorbed, leaving the body free of foreign materials.

The Bone Project has reach a stage where it has progressed from a successful laboratory environment and is moving toward commercial manufacturing. Consequently, Allegra is now setting up a GMP pilot manufacturing facility in Sydney, with capability to manufacture the 3D printed spinal cages. This will allow Allegra to develop and optimise the manufacturing process ahead of commercial volume (mass production) manufacturing.

Allegra has also engaged with Boron Molecular to produce large scale Sr-HT powder as the raw material to the finished product.

Allegra continues to work with ANFF at University of Wollongong to optimise the design of a 3D printer suitable for the material. The development at ANFF is progressing as expected.

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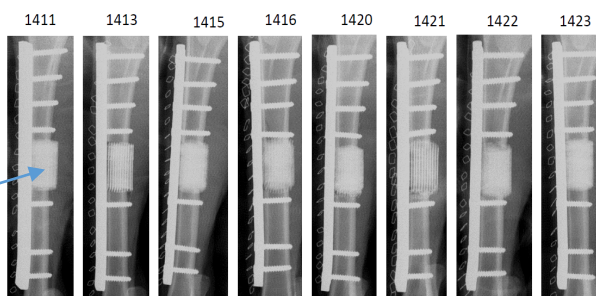
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Jenny Swain, Chief Executive Officer, commented that “we are extremely pleased with the progress of this unique technology and we are very focused on establishing our advanced manufacturing facility and getting the first product (the cervical spinal cage) to market as a custom device”

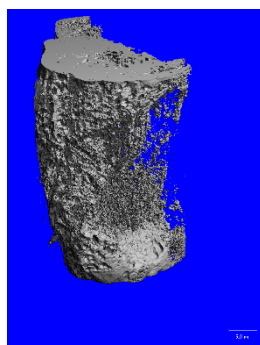
Proven success in pre-clinical sheep studies

Post-operative x-rays scaffolds

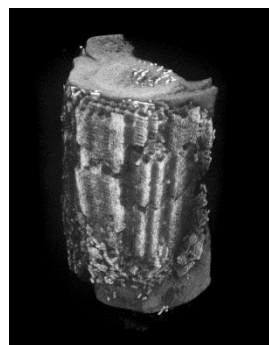


3D printed Sr-HT-Gahnite scaffolds

Results From 12 Month- Post Implantation



New bone only



Scaffold and new bone

The above demonstrates the extensive new bone formation across and around entire scaffold with solid bridging. Scaffolds withstand 100kg compressive load exerted unidirectionally

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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.

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