

COVID-19 ASX Media Release

Allegra Orthopaedics

SYDNEY 26th March 2020 – In light of the COVID-19 challenges being faced by the business community, Allegra Orthopaedics Limited ('Allegra') would like to provide the following update.

As a result of the Federal Government's announcement yesterday regarding the cancellation of all elective surgeries in both private and public hospitals, Allegra's revenues generated from its orthopaedic division will be materially and negatively impacted as the majority of products sold to hospitals by Allegra are considered for use in elective surgeries. Through our distribution of products from Waldemar Link GmbH & Co. KG we are in a strong position to support trauma and oncology procedures that fall under the category of urgent and essential surgery.

Consequently, Allegra has been forced to respond quickly by implementing numerous measures to reduce operational expenditure as well as keeping staff safe. These measures include salary reductions of senior staff, reduce the hours worked by staff each week and also standing down staff until such time as the situation is under control. Allegra believes that when the pandemic comes under control and the business landscape starts to normalize, it will recover back to normal operating conditions, especially as elective backlogged surgeries recommence.

The rise of this COVID-19 pandemic in Australia will have a direct and negative impact on Allegra's financial performance for FY2020, but at this point in time, the company is unable to estimate the value of this impact as it will depend on how long the Federal Government measures will stay in place.

Jenny Swain, Allegra Chief Executive Officer, said: *"There is no doubt that the COVID-19 pandemic is disrupting business around the world and we are seeing the direct effect on our Orthopaedic industry. We are prepared to adapt and respond to this global situation in order to support our customers and staff in any way we can. It is a particularly devastating time for our industry, but nothing is more important than health. We support the Minister for Health and our surgeons in the tough decisions they must make to protect their patients."*

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Authorised by the Board of Directors.

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 focused product line. Allegra is also the exclusive distributors of Waldemar Link GmbH & Co. KG products in Australia. Link consists of a range of complex lower limb, hip and knee replacements, including oncology solutions. The Link products add to Allegra's well-developed range of products for distribution from international suppliers covering all specialties from foot and ankle to upper limb. The company is pleased to continue to build upon its extensive portfolio of patents. It has strong 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.