

ASX Media Release

Update on FY2020 Orthopaedic Product Revenues

SYDNEY 1 June 2020 –Allegra Orthopaedics Limited ('Company') is pleased to provide the following update.

Following earlier ASX announcements on 26th March 2020 and 15th April 2020, the Company is pleased to advise that sales revenues for full year FY2020 from its Orthopaedic Division are expected to increase by 20% to 25% compared with sales revenues achieved in FY2019.

The primary drivers of this growth are (1) strong growth of our LINK orthopaedic implant product range and (2) the introduction of a new face shield product in April 2020 coupled with strong market demand for this product due to the COVID-19 pandemic.

Net profit/(loss) for the Company is only expected to improve marginally compared with FY2019. This is due to increased net operating costs of the Company's Innovation division, which continues with planned development activities to commercialise the cervical spinal cage implant.

Furthermore, the Company would like to advise the impact of the Federal Government's directive on March 25th 2020 to suspend all elective surgeries had only limited adverse impact to the Company's sales revenue of orthopaedic implants and related products. This was due to this suspension being only short lived with elective surgeries recommencing progressively.

Please note all references to financial performance above are unaudited and based on management's current full year FY2020 forecast.

Jenny Swain, Allegra Chief Executive Officer, said: *"We are particularly pleased with the strong revenue growth of our orthopaedics products this year despite the recent challenging business conditions caused by the COVID-19 pandemic. Our current orthopaedic products have enabled us to respond quickly to the COVID-19 pandemic and we will continue to monitor and respond accordingly to any further impact caused by this pandemic."*

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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 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.