



MEDIA RELEASE

Loan to Progress Bone Substitute Project

SYDNEY 30 June 2016 – Allegra Orthopaedics Limited (Allegra) (ASX: AMT) advises that it has been successful in obtaining a loan secured by a fixed and floating charge over all the assets and undertakings of Allegra (“the Loan”) of up to \$1M to progress the Bone Substitute Project which is developing a composite biocompatible ceramic material known as Sr-HT-Gahnite for veterinary and orthopaedic solutions.

The Loan, which is on normal commercial terms negotiated on an arm’s length basis, is to be made to Allegra by Robinwood Investments Pty Limited (“Robinwood”).

Allegra has concluded that the Loan might constitute the disposal of a substantial asset to a related party or substantial holder for the purposes of ASX Listing Rule 10.1 which relates to transactions with persons in a position of influence.

Accordingly, Allegra made application for, and has received, a waiver of ASX Listing Rule 10.1 (“the Waiver”).

The Waiver has been granted on the following conditions:

- a. the security document for the Loan includes a term that if an event of default occurs and the lender exercises the lender’s rights to security in respect of the Loan, neither the lender nor any of its associates can acquire any legal or beneficial interest in any asset of Allegra or its subsidiary in full or part satisfaction of Allegra’s obligations under the Loan, or otherwise deal with the assets of Allegra, without Allegra first having complied with any applicable listing rules, including Listing Rule 10.1, other than as required by law or through a receiver, or receiver and manager (or analogous person, including without limitation an administrator or liquidator) appointed by Allegra or the lender (or another security holder or secured creditor) exercising its power of sale under the security document and selling the assets to an unrelated third party on arm’s length commercial terms and conditions and distributing the cash proceeds to the lender in accordance with its legal entitlements;
- b. a summary of the material terms of the Loan and security documents are made in each annual report of Allegra during the term of the Loan/security;

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- c. any variations to the terms of the Loan/security, which is:
 - i. not a minor change; or
 - ii. inconsistent with the terms of the waiver, must be subject to shareholder approval;
- d. Allegra and the lender must seek to discharge the security when the funds under the Loan are repaid, or if the security is not discharged, seek shareholder approval for the continuation of the security for any further period; and
- e. upon entry into the Loan/security, Allegra immediately releases to the market an announcement which sets out the terms of the Waiver.

Contact details:

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Allegra Orthopaedics

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ABOUT ALLEGRA ORTHOPAEDICS

Allegra's mission is to deliver to its customers the highest quality medical products in conjunction with unparalleled customer support.

Allegra's principal product is the Active Total Knee, which has significantly improved the quality of life for people globally. Allegra also partners with suppliers to develop mutually beneficial relationships for distribution of internationally recognised products to bring to the Australian market.

Allegra is also the global licensee to a composite biocompatible ceramic material known as Sr-HT- Gahnite from the University of Sydney for veterinary and orthopaedic solutions. The Sr-HT-Gahnite is still under development and preliminary studies have duplicated the mechanical strength of the bone. Preclinical studies currently being performed indicate good bioactivity and ingrowth of bone into the synthetic scaffold prepared from the ceramic material. Importantly, it is 100 times mechanically stronger than synthetic bone substitute materials in clinical use.

The company continues to build upon its extensive portfolio of patents. It has extensive research relationships with universities, companies and surgeon inventors. Our partnerships are creating innovative products which will deliver significant shareholder value.

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