

ASM Media Release
Exciting addition to the
Sr-HT-Gahnite Bone Substitute Project.

SYDNEY 20 September 2016 – Allegra Orthopaedics Limited (Allegra) (ASX: AMT) provides the following update on the Sr-HT-Gahnite Bone Substitute Project.

The project that Allegra is working on in collaboration with Professor Hala Zreiqat and her team from the University of Sydney has been expanded in scope. Previously limited to use in Veterinary and Orthopaedic products, Allegra has recently expanded its license of the intellectual property, so that the Sr-HT-Gahnite material may be developed for all applications and for all fields of use.

With the aid of 3D technology Professor Zreiqat and her team have developed a unique ceramic material that acts as a scaffold on which the body can regenerate new bone, and then gradually degrades as it is replaced by natural bone. However, under Allegra's expanded license, the ceramic 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 is excited about this opportunity and is looking forward to working with other universities and experts to further develop this bio-ceramic material in other applications.

Furthermore, the recently received 6 and 9 month x-ray results of the animal study showed extensive bone ingrowth which was integrated with bone at the defect edge. Complete bridging of the defect was observed in some specimens.

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

Allegra's Executive Chairman, Peter Kazacos commented that "this expansion to the licensed intellectual property adds enormous scope to the current bone project".

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

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

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 distribution range of products from international suppliers covering all specialities from foot and ankle to upper limb.

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