

BONESUPPORT and Orthocell partner to develop new bone substitute product

BONESUPPORT and Orthocell agreement to facilitate:

- Partnership to co-develop bone repair products utilising the unique eluting bone remodelling capabilities of CERAMENT™ and the important collagen properties of Celgro™
- Orthocell and BONESUPPORT to co-develop a new synthetic bone substitute product to regenerate bone tissue and induce bone growth

Perth, Australia, Lund, Sweden; 8 December 2014: Regenerative medicine company Orthocell Limited has today announced a partnership with BONESUPPORT, an emerging leader of injectable bone substitutes, to develop a suite of unique products for the bone repair market.

The global bone graft and substitutes market was estimated at \$US2.1 billion in 2013 and is projected to grow to \$2.7 billion by 2020. BONESUPPORT's platform technology CERAMENT™ is an injectable synthetic bone substitute used for orthopaedic trauma, bone infection and instrumentation augmentation and is currently marketed in the US and Europe.

CERAMENT™ mimics human bone and provides short-term support for the fracture or bone void with rapid pain relief and stabilisation, while providing longer term support which enhances new bone growth. CERAMENT's biologic properties deliver a consistent, pre-packed and ready to use formulation with unique drug eluting capabilities that make it an ideal platform to combine with substances like collagen.

One of the key goals of bone repair is to induce new growth of bone matrix. Enhanced bone induction matrix formation, in turn relies on the incorporation of complex growth factor and collagen interactions, which are not provided by existing synthetic bone repair products. Orthocell and BONESUPPORT believe Orthocell's Celgro collagen scaffold technology is a highly prospective solution to this problem and that CERAMENT™, with its unique eluting capabilities is the ideal platform to facilitate delivery. The new synthetic bone product provides the opportunity to accelerate natural bone regrowth.

The companies have agreed to work together to incorporate Celgro™ into CERAMENT™ to create a novel bone repair product that will not only support the damaged bone, but induce the superior growth of new bone matrix.

"This is an exciting step forward for both companies and further validates Celgro™ as a platform technology that can be used in varying surgical specialities," said Orthocell Managing Director Paul Anderson.

"BONESUPPORT offers market leading products for bone void filling and regeneration and its agreement with Orthocell is a significant external validation of the potential of Celgro™ in a variety of surgical applications."

BONESUPPORT Chief Executive Lloyd Diamond said he was pleased to partner with Orthocell to advance bone healing.

"We believe combining the important collagen properties of Orthocell's Celgro™ and the proven remodelling and eluting capabilities of CERAMENT™ will enable us to develop novel regenerative technologies and treatments to further bone regeneration," Mr Diamond said.

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About Orthocell Limited

Orthocell is a commercial-stage, regenerative medicine company focused on developing products for a variety of tendon, cartilage and soft tissue injuries. Orthocell's portfolio of products include TGA-approved stem cell therapies, Autologous Tenocyte Implantation (Ortho-ATI™) and Autologous Chondrocyte Implantation (Ortho-ACI™), which aim to regenerate damaged tendon and cartilage tissue. The Company's other major product is Celgro™, a collagen medical device which facilitates tissue repair and healing in a variety of orthopaedic, reconstructive and surgical applications and is being readied for first regulatory approvals.

About BONESUPPORT

BONESUPPORT is an emerging leader in injectable bone substitutes for orthopedic trauma, bone infections and instrument augmentation related to orthopedic surgery. CERAMENT™ is an injectable, synthetic bone substitute that mimics the properties of cancellous bone and allows for controlled resorption to support future bone ingrowth. CERAMENT's unique biologic properties deliver a consistent, pre-packed and ready-to-use formulation to facilitate optimal delivery. CERAMENT™|G is the first CE-marked injectable antibiotic eluting ceramic bone graft substitute indicated to promote and protect bone healing in the management of bone infections in CE marked countries. Scientific research of CERAMENT spans more than eleven years. Over forty-five pre-clinical, clinical and animal studies have been conducted and close to 9,000 patients have been treated with CERAMENT. The company was founded in 1999 and is based in Lund, Sweden with subsidiary locations in the US and Germany. To learn more about BONESUPPORT please visit www.bonesupport.com.