

Option Terms and Conditions

Perth, Australia; 26 May 2023: Regenerative medicine company Orthocell Limited (ASX: OCC, “Orthocell” or the “Company”) advises that the terms and conditions of 2,000,000 options issued and notified in the Notification of Issue, Conversion or Payment up of Unquoted Equity Securities on 26 May 2023 are attached.

Release authorised by

Peter Webse
Company Secretary

For more information, please contact:

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About Orthocell Limited

ACN 118 897 135

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Orthocell is a regenerative medicine company focused on regenerating mobility for patients by developing products for the repair of a variety of bone and soft tissue injuries. Orthocell’s portfolio of products include CelGro™, a collagen medical device which facilitates tissue reconstruction and healing in a variety of dental and orthopaedic reconstructive applications. Striate+™ was the first product approved for dental GBR applications, is cleared for use in US FDA (510k), Australia (ARTG) and Europe (CE Mark) and is distributed globally by BioHorizons Implant Systems Inc. Remplir™, for peripheral nerve reconstruction, recently received approval and reimbursement in Australia and is distributed exclusively by Device Technologies in the Australian market SmrtGraft™, for tendon repair, is available in Australia under Special Access Scheme or participation in a clinical trial. The Company’s other major products are autologous cell therapies which aim to regenerate damaged tendon and cartilage tissue. Orthocell is accelerating the development of its tendon cell therapy in the US with technology transfer, manufacturing scale up and FDA engagement in advance of a randomised controlled study under FDA supervision.

For more information on Orthocell, please visit www.orthocell.com or follow us on Twitter **@OrthocellLtd** and LinkedIn www.linkedin.com/company/orthocell-ltd



PART A – OPTION TERMS AND CONDITIONS

The Options are subject to the following terms and conditions:

1. Each Option entitles the holder to subscribe for and be issued one fully paid ordinary share in the capital of Orthocell Limited (ACN 118 897 135) (**Company**) (**Share**) upon payment of the Exercise Price.
2. The Options are to be issued for no consideration.
3. The Exercise Price and Expiry Date of each Option is referred to in the below table and the capitalised terms Exercise Price and Expiry Date shall be interpreted accordingly.

Option Class	Exercise Price	Expiry Date
1,000,000 Options	A\$0.60	5:00pm (AWST) on the date that is 3 years from the date of their issue
1,000,000 Options that will vest and can be exercised 12 months from the date of their issue	A\$0.80	5:00pm (AWST) on the date that is 4 years from the date of their issue

4. The Options are transferrable with the prior consent of the Board.
5. The Options will not be quoted on ASX.
6. The Options may be exercised, in whole or in part (in multiples of no less than 100,000 Options (or where the holder holds less than 100,000 that lesser amount)), at any time after vesting (if applicable) and on or before they lapse under clause 9 by lodging with the Company a notice of exercise in the form contained at Part B (**Exercise Notice**), which must specify the number of vested (if applicable) Options being exercised accompanied by a cheque made payable to the Company or an electronic payment of the aggregate Exercise Price of the Options being exercised. An exercise of only some Options shall not affect the rights of the holder to the balance of the Options held by the holder. An Exercise Notice, once lodged with the Company, is irrevocable and by giving the Exercise Notice, the holder agrees:
 - (a) to subscribe for that number of Shares equivalent to the number of Options exercised under the Exercise Notice; and
 - (b) to become a member of the Company and be bound by the Company's constitution on the issue of Shares.
7. Within five business days of receipt of a valid Exercise Notice, the Company will issue fully paid ordinary Shares ranking pari passu with the then issued ordinary shares and deliver or arrange delivery of a statement of shareholdings with a holders' identification number.
8. The Company will apply for listing on the ASX of the resultant Shares of the Company issued upon the exercise of any Options.
9. The Options shall lapse on the Expiry Date.
10. The Options do not confer any right to vote at general meetings of the Company's shareholders, except as required by law.

11. There are no participating rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option before valid exercise.
12. The Options do not confer any right to participate in the surplus profit or assets of the Company upon a winding up.
13. Subject to all applicable laws and vesting of the Options (if applicable), the holder has the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options.
14. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
15. If there is a bonus share issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
16. The Options will not give any right to participate in dividends until Shares are allotted pursuant to the valid exercise of the relevant Options.