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Othocell Achieves 50% Patient Treatment Milestone in Human Nerve Regeneration Trial

- Orthocell reports 50% patient treatment in the human nerve regeneration trial has been achieved
- Interim review of clinical trial data confirms positive safety and tolerability results using CelGro® for the repair of damaged or severed nerves
- Study designed to show CelGro® can be used to guide and promote nerve regeneration in damaged peripheral nerves of the hand and upper limb
- CelGro® represents a breakthrough in soft tissue reconstruction and offers significant global commercial potential

Perth, Australia; 2 January 2018: Regenerative medicine company Orthocell Limited (ASX:OCC, "Orthocell" or the "Company") is pleased to announce that the milestone of 50% patient treatment in the human nerve regeneration trial has been achieved. The trial is being performed in collaboration with a leading Australian orthopaedic nerve specialist and the St John of God Subiaco Hospital in Perth.

The first six patients treated in this pivotal trial had previously suffered traumatic peripheral nerve injury following motor vehicle, sporting and work-related incidents. Patient injuries resulted in the inability to bend their elbow and significantly impacted basic activities of daily living. An interim review at 20 days post operation for the first six patients (involving the repair of 8 peripheral nerves) to receive CelGro® nerve regeneration treatment, demonstrated that CelGro® is safe and was well tolerated with no inflammatory reactions or complications.

"The outcome of this interim review is very positive and represents an important step forward in the development of CelGro® in the very important area of human nerve regeneration. CelGro® allows for suture-less reconnection of the damaged nerve while guiding nerve regeneration and accelerating the healing process." Managing Director Paul Anderson said.

The company believes CelGro® represents a breakthrough in soft tissue reconstruction and offers significant global commercial potential in its existing addressable markets of bone, tendon, nerve and cartilage as well as much wider applications in general surgical and soft tissue reconstructive applications.

CelGro®'s nerve addressable market is estimated to be worth more than US$1.1 billion per annum, with approximately 700,000 procedures that could utilise this type of scaffold being completed each year. Market growth is expected to be underpinned by the surgeons' preference for quality and functional bio-absorbable membranes.

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About CelGro®

CelGro® is a collagen medical device platform for soft tissue regeneration and repair applications manufactured by Orthocell at its quality controlled Good Manufacturing Practices (GMP) licensed facility in WA.

Orthocell has received market authorisation (CE Mark) of CelGro® collagen scaffold medical device in the EU for dental bone and soft tissue applications. The CE Mark allows CelGro® to be sold within EU countries, validates CelGro®'s quality manufacturing and product performance, and provides a strong foundation for indication expansion and regulatory approvals.

CelGro® has been shown to improve tissue in-growth and repair in clinical studies using the collagen medical device to augment repair of the rotator cuff tendon within the shoulder, to guide bone regeneration within the jaw and to assist in the rejoining of severed, or damaged peripheral nerves. CelGro® is a customisable collagen medical device with numerous competitive advantages over existing synthetic and biologic tissue repair devices, particularly in the areas of cell compatibility, tensile strength and the promotion of quality tissue in growth and repair.

Medical scaffolds are analogous to construction scaffolds in that they provide integral support to the soft tissue whilst it undergoes repair.

Example of nerve regeneration

e.g. Peripheral nerve repair procedure

1. Peripheral Nerve Injury
Nerve severed and ends retracted into wound after traumatic injury to limb

2. Preparation of Repair Site
Nerve ends located and brought to repair site without tension

3. Microsurgical Repair with CelGro®
CelGro® secured around nerve ends, forming a sealed conduit

4. Nerve Healing
Conduit protects nerve ends and enhances regeneration

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About Orthocell Limited

Orthocell is a regenerative medicine company focused on regenerating mobility for patients by developing products for the repair of a variety of soft tissue injuries. Orthocell's portfolio of products include TGA-licensed 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. Orthocell recently received European regulatory approval (CE Mark) for CelGro®. The collagen medical device can now be marketed and sold within the European Union for a range of dental bone and soft tissue regeneration procedures.

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