

ASX ANNOUNCEMENT

ADMEDUS SIGNS EXCLUSIVE DISTRIBUTION AGREEMENT WITH CORONEO

- Admedus to distribute CORONEO Inc's Aortic Annuloplasty Ring and range of specialised surgical instruments
- CORONEO products complementary to CardioCel® in heart valve repair and reconstruction space
- Distribution initially in Germany and UK through Admedus' existing sales team

Brisbane, Australia 27 January 2016

Admedus has today announced that it has entered into an exclusive distribution agreement with Canadian company CORONEO Inc to sell its Aortic Annuloplasty Ring and a range of specialised surgical instruments for heart valve surgery in Germany and the UK.

CORONEO's Extra-Aortic Ring is complementary to Admedus' bio-scaffold CardioCel in the repair of aortic heart valves and will be managed and sold through Admedus' existing sales and marketing infrastructure. Adding the Extra-Aortic Ring to the product portfolio fits well with Admedus' expansion into the repair and reconstruction heart valve market with CardioCel.

"We are very pleased to have signed this agreement with CORONEO as it expands our product portfolio in the cardiovascular space, as well as adding to our ongoing sales growth and generating increased revenue from our existing in-house resources," said Admedus CEO, Mr Lee Rodne.

While the distribution agreement with Admedus is initially for the German and UK markets, there is the option to extend the partnership to other regions in the future. The launch of CORONEO products in the UK and Germany will take place in April 2016, with sales expected to contribute to Admedus' revenue this financial year. The UK and Germany represent two of the largest heart valve markets in Europe.

"This is a very exciting partnership for CORONEO, as we continue to expand the global reach of our unique products. We believe the CORONEO range is synergistic with CardioCel and Admedus' work in this space, as we both provide surgeons with specialised implantable devices and instruments to facilitate the repair and reconstruction of dysfunctional heart valves," said CORONEO President & CEO, Mr Anthony Paolitto.

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CORONEO's Extra-Aortic Ring is the first annuloplasty device on the market specifically-designed to surgically repair the AORTIC valve with a proven, standardized technique. Since the patient's native valve is preserved, complications attributed to prosthetic valve replacement and compromises to patient's quality of life, such as the need for lifelong anticoagulation, are avoided.

The ring supports dystrophic aortic tissue and downsizes a dilated valve annulus in order to restore proper cusp contact to a "leaky" valve. The ring is elastic and permits the tissues to expand about 10% between diastole and systole, thus mimicking the native valve root physiology. The innovation of placing the ring external to the pulsating aorta avoids contact with the bloodstream and, more importantly, allows the annuloplasty ring to evenly support the aortic pressure over its entire circumferential structure, and not solely through interspaced ring-attachment sutures as would be the case if the ring was implanted internally. In-vivo testing has demonstrated that the Extra-Aortic Ring maintains its elasticity long after tissue ingrowth has stabilized in the expansible textile sheath surrounding the elastic cores of the device.

"Admedus is pleased to add additional products into the sales and marketing product portfolio and we will continue to look for further complementary products as the Company continues to grow," said Mr Rodne.

CORONEO's Extra-Aortic Ring was developed in partnership with Dr Emmanuel Lansac, the inventor of external aortic annuloplasty. Dr. Lansac was the principal investigator in a large, prospective multi-centre clinical trial (CAVIAAR) comparing aortic valve repair with the Extra-Aortic Ring to aortic valve replacement with a mechanical valved-conduit (Bentall procedure). A recognized global opinion leader at the forefront of driving surgical aortic valve reconstruction and repair techniques, Dr. Lansac practices at the Institut Mutualiste Montsouris in Paris, France, and is chairman of AVIATOR; an international working group created through the Heart Valve Society that is dedicated to the advancement of aortic valve repair.

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About Admedus Limited

Admedus (ASX: AHZ) is a specialist healthcare company. Our focus is on investing in and developing next generation technologies with world class partners, acquiring strategic assets to grow product and service offerings and expanding revenues from our existing, profitable medical sales and distribution business. The company has assets from research & development through clinical development as well as sales, marketing and distribution.

Admedus has commercialised its innovative tissue engineering technology for regenerative medicine in four continents. We also have a major interest in developing the next generation of vaccines with a Brisbane-based research group led by Professor Ian Frazer. The vaccine programmes target disease with significant global potential, such as Herpes and Human Papillomavirus.

Further information on the company can be found on www.admedus.com

About CardioCel®

CardioCel is a type of cardiovascular bio-scaffold that can be used to repair congenital heart deformities and more complex heart defects. It is used to repair diseased paediatric and adult hearts. These repairs range from routine hole-in-the-heart operations to major vessel outflow tract repairs. The CardioCel scaffold may also be used to repair heart valves. CardioCel has been shown to allow tissue regeneration once implanted. Some researchers postulate that stem cells play an active role in tissue regeneration, suggesting that the product facilitates endogenous stem cells and other cells to regenerate and repair damaged tissue. CardioCel is the Admedus Group's lead regenerative tissue bio-implant used in repairing heart defects, including the repair of heart valves. It is engineered via the Admedus Group's proprietary ADAPT™ tissue engineering process to produce a durable, collagen scaffold with handling properties preferred by surgeons that avoids calcification, while supporting native cell infiltration, growth and differentiation. CardioCel is a registered trademark.

About CORONEO

CORONEO Inc., a Canadian company, conducts research, development, and product commercialization of medical devices for the field of Cardiac Surgery. Since its inception in 1997, the company has rapidly become a noteworthy provider of premium, high-value surgical instruments and unique implantable devices that achieve cost-effective and less-invasive surgical procedures.

In addition to its Extra-Aortic Ring, the company is currently developing complementary implants to strengthen its leadership position in aortic valve repair surgery.

Further information on the company may be found at www.coroneo.com