FORWARD LOOKING STATEMENTS

This presentation contains certain disclosures that may be deemed forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to significant risks and uncertainties. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “continue,” “efforts,” “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates,” “projects,” “forecasts,” “strategy,” “will,” “goal,” “target,” “prospects,” “potential,” “optimistic,” “confident,” “likely,” “probable” or similar expressions or the negative thereof.

These forward-looking statements are based on current expectations or beliefs and include, but are not limited to, statements about the Company’s future performance. We caution that these statements by their nature involve risks and uncertainties, and actual results may differ materially depending on a variety of important factors, including, among others: the Company’s ability to manage cash flow and achieve profitability; the Company’s ability to develop, market, sell and distribute desirable applications, products and services and to protect its intellectual property; the ability of the Company’s customers to pay and the timeliness of such payments; the Company’s ability to attract and retain management and employees with appropriate skills and expertise; the impact of changes in market, legal and regulatory conditions and in the applicable business environment, including actions of competitors; and other factors. The Company undertakes no obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.
OUR FOCUS

TISSUE REPAIR

SRI

BONE
- hemiated disk

CARTILAGE
- torn meniscus
- "bone-on-bone"

SKIN
- breast reconstruction
- chronic sores

DIAGNOSTICS
- breast tumors
- ovarian tumors

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4 THINGS TO KNOW ABOUT THE TISSUE REPAIR MARKET

1. **$3B**
   - **HUGE MARKET**

2. high barriers to entry
   - **“catch 22”**

3. low standard of care
   - **LOW RISK**
   - **LOW COST**

4. rapid regulatory approval process
   - “361” tissue approval pathway

RIGHT CONDITIONS FOR INNOVATION TO HAVE AN ENORMOUS IMPACT
NOT OUR FIRST RODEO…

AMEX: BONE

Guy Cook - CEO [Technical Expert & Entrepreneur]
- Led Bacterin International Inc. (AMEX:BONE) from a start-up to a publicly traded company, $400 million market cap.
- Increased revenues from $7.8MM (2009) to $30.1MM (2012).
- 18+ years experience in tissue engineering field.

Darrell Denslow [National Sales Director]
- Driven sales professional is trusted advisor to the nation’s top surgeons.
- 3D Spine CEO, focused in spinal and orthobiologic implants.
- 20+ years experience in medical device sales, specializing in spine, biologics, orthopedic, kyphoplasty/vertebroplasty, interventional, and pharma.

Christopher Bradley, Ph.D. [Product Development Director]
- Published researcher in biochemistry, molecular biology and medicine, cellular protein synthesis, and translation.
- 10 years experience in research academia, 3 years in industrial chemistry quality control.

$2.4 MILLION INVESTED BY MANAGEMENT

Similar runway
20-50% growth rates
OUR LEAD PRODUCTS

DBM PUTTY
Tissue grafting solution

- Mixture of finely ground, demineralized cortical bone powder and gelatin
- Common Applications: Spinal fusions, podiatric reconstructions, oral / maxillofacial reconstructions, orthopaedic reconstructions
- Now manufactured in-house for increased profit margins.

- $100 per cc
- 80-85%: gross margin

$450M opportunity

DERMIS
For breast reconstruction

- Acellular Collagen Scaffold created from human dermis
- Common Applications: Breast reconstruction post mastectomy, diabetic foot ulcers, chronic wounds, and burns

- $10,000 per treatment
- 85%: gross margin

$550M opportunity

5-YEAR SHELF LIFE

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NEW PRODUCTS FOR 2016

100% Human Demineralized Cortical Bone [Q2 2016]

- Lattice’s product line employs the company’s proprietary Matrix-assisted Regeneration (MAR) process to maximize the allografts’ osteoconductivity and osteoinductive potential.
- 100% demineralized cortical bone with excellent malleable handling characteristics.
- Distributed as a sterile allograft.
- Easily hydrated with any biocompatible liquid, making it an ideal option for various bone grafting applications. Useful in a number of orthopedic and reconstructive applications, especially spinal.
- Can be used as a stand-alone bone graft or in combination with autologous bone or other forms of allograft bone.

Lattice has optimized the handling characteristics of cortical bone, allowing the grafts to be used as a malleable bone void filler and bone graft substitute for voids or gaps that are not intrinsic to the stability of the bony structure.

- Pliable and compressible handling characteristics
- Osteoconductive / Osteoinductive potential
- Rehydrates in minutes for easy “wicking”
- Excellent carrier for BMA
- Sterility assurance level (SAL) $10^{-6}$
- 5-year shelf life
- Room temperature storage
- Variable graft sizes for optimal surgical site contact
NEW PRODUCTS FOR 2016

Amnion [Q3 2016]

- Placental tissues found to be a rich source of proteins, carbohydrates, hyaluronic acids and growth factors essential for fetal growth and development and beneficial for healing.
- Placental tissues used as biologic dressings for over 100 years.
- Amniotic tissue (the innermost layer of the placenta) is unique: it is “immune-privileged” and rarely evokes an immune response in the human body.
- Research shows amniotic tissue does not express the Class II antigens that typically evoke an immune response.
- Shown to have anti-inflammatory, anti-microbial and anti-adhesive properties.
- Collagens in amniotic tissue provide a structural tissue matrix for cellular attachment.
- Complex chronic wound treatment
- Acute wounds (decubitus or pressure ulcers, etc.)
- Localized areas of injury or inflammation
- Soft tissue defect and void filling
- Post-operative wound covering
- Cover / wrap for the dura, nerves and tendons

Cells are broadly multipotent, capable of differentiating into adipogenic, osteogenic, myogenic, endothelial, neurogenic and hepatic cell lineages.

Lattice is expanding our product portfolio into human placental tissue-derived allografts - a natural alternative to synthetic, cadaveric or animal-derived regenerative products.

Placental tissue’s extracellular matrix provides structural support to cells and assists in the migration and proliferation of the patient’s own cells to the site of injury or defect.

Lattice is a natural & regenerative tissue solutions company.

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NEW PRODUCTS FOR 2016

Marcell [Q4 2016]

Marcell, a next generation bone allograft with viable cells, provides a unique alternative to autografts, which have been long considered the standard for grafting.

- Marcell is processed in Lattice Biologics’ fully accredited AATB and FDA tissue processing facility where we are dedicated to creating the highest quality allografts.
- Each processing step is designed to maximize the health and viability of mesenchymal stem cells (MSCs) and osteoprogenitor cells (OPCs).

- Marcell ensures cell health with quality cells:
  - Strict donor screening standards
  - Time-sensitive processing and controlled-rate of freezing for optimal cell viability
  - Cryopreservation / storage in vapor-phase liquid nitrogen at -185°C
  - Expiration dating that reflects real-time testing and must pass Lattice’s stringent release criteria

✓ Processed using Lattice’s matrix-assisted regeneration (MAR) technology, Marcell offers an enhanced handling experience and provides a viable grafting alternative.

✓ Supplies the 3 physiologic components essential for robust bone formation:
  - Osteoconductive scaffold
  - Verified osteoinductive potential
  - Reliable number of cells retained within the bone matrix
EXECUTING OUR STRATEGY

**DBM PUTTY**
Tissue grafting solution

Marketing and selling through Key Opinion Leaders (KOL’s)

**DERMIS**
For breast reconstruction

[ 2016 Q2 GOAL ]

**20 KOLs**
[ 20 KOLs contracted ]

$2-3M / KOL / year

**SALES CYCLE**
1-3 months

Physician recruitment

1-12 months

Hospital approval

1-4 months

Payment

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Look familiar...?

As we age, our ability to heal decreases
AGE-RELATED FUNCTIONAL DECLINE

15-YEAR-OLD STEM CELLS

active

65-YEAR-OLD STEM CELLS

dormant
OUR INNOVATION: EXTRACELLULAR MATRIX (ECM)

Stem cells harvested from youthful donors

Amplified

Growth factors

film-like substrate

U.S. Patent Application:
MODIFIED EXTRACELLULAR MATRIX FOR ENHANCED STEM CELL HOMING AND ENGRAFTMENT
EVIDENCE: ECM ENCOURAGES REGENERATION

<table>
<thead>
<tr>
<th>20-30 YEARS HUMAN EQUIVALENT*</th>
<th>56-69 YEARS HUMAN EQUIVALENT*</th>
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<tbody>
<tr>
<td>high activity</td>
<td>original</td>
</tr>
<tr>
<td></td>
<td>AFTER EXPANSION</td>
</tr>
<tr>
<td>high activity</td>
<td>control</td>
</tr>
<tr>
<td>high activity</td>
<td>young ECM treated</td>
</tr>
<tr>
<td>low activity</td>
<td>old ECM treated</td>
</tr>
</tbody>
</table>
**EXTRACELLULAR MATRIX (ECM) TECHNOLOGY**

Adult stem cells / Mesenchymal Stem Cells (MSCs) can differentiate into different tissues.

**Example:** Differentiation into bone tissue (osteogenesis) is dependent upon the culture conditions (growth media) and the matrix used to implant the cultured stem cells.

- The growth media can include growth factors that induce differentiation into bone (e.g. bFGF and BMP-2)
- The matrix used to implant the cultured stem cells can be a natural source (collagen scaffold) or a synthetic one (e.g. hydroxyapatite/tricalcium phosphate (HA/TCP) ceramics).

**Figure 1.** Culture-expanded human mesenchymal stem cells exhibit a spindle-shaped fibroblastic morphology following culture expansion ex vivo (top panel). Under appropriate inducing conditions, the culture will demonstrate adipogenic differentiation evidenced by lipid globules, chondrogenic differentiation as measured by staining for type II collagen, or osteogenesis as seen by calcium conditions. Assays are described in Pittenger et al. [7].
OUR VALUE PROPOSITION FOR PATIENTS

Scaffold + ECM Matrix = Superior Scaffold

• Directed scaffold
• Regenerates properly
• Promotes natural healing
EXTRACELLULAR MATRIX (ECM) TECHNOLOGY

The same ECM technology can be used to grow a cancerous tumor outside the body...

Question:
Why would we want to grow a tumor outside of the body?

Answer: Diagnostics.
MODERN CANCER DIAGNOSTICS

Today’s cancer diagnostics aim to identify:

- Where primary tumors are located
- If and where cancer has spread throughout the body
- The “stage” of the cancer

In addition to initial diagnostic characterization, further tests can inform the best pathways of treatment and may include:

- **Tumor genetics** - DNA sequencing can identify mutations or chromosomal abnormalities that drive the transformation of normal cells into cancerous cells
- **Tumor biomarkers** - Substances shed by the tumor, including proteins or cellular components that can be detected in the blood or other bodily fluids

Advances in DNA sequencing technologies using automation and fluorescent compounds have made cancer genetics tests a routine part of wellness care.
Although the number of drugs available to treat cancers has increased significantly over the years, cancer still often develops a resistance to treatment.

The challenge is to develop accurate drug screens using the patient’s own cells which have been grown in a lab, which requires effectively reproducing the tumor microenvironment.

**Lattice uses human-derived ECM and optimal growth conditions to mimic the native environment of a biopsy site.**
Cancer cells can influence their surrounding microenvironment, affecting normal cells, molecules, and blood vessels that surround and feed tumors.

One of the critical challenges of growing patient tumor cells in a lab is replicating the conditions those cells experienced when they were still growing in the patient’s body. Re-establishing those conditions is essential for analyzing the natural cellular behavior and understanding responses to various stimuli and treatments.

The goal is to create a lab environment that closely mimics the natural cellular environment in order to form accurate conclusions.

Growth Techniques: There are multiple methods for growing cells within a lab, such as: monolayer (2D) culture, 3D culture, and suspension.

Trouble with the “Dish Life”: Cells can respond differently to drugs administered to them, depending on the way they are grown.1

In some cases, they will behave like stem cells, showing the ability to self-renew. Other times, they may go dormant. These different cellular behaviors are related to the microenvironment the cells experience when grown in a dish and may not accurately reflect what the experience of the cells would be if they were still in the patient’s body.
Lattice Biologics is developing products that prompt patients’ stem cells to:

- Migrate to the injury site
- Engraft (implant)
- Proliferate (multiply)
- Vascularize
- Heal the injury

This technology customizes the Extracellular Matrix (ECM) to mimic the optimal microenvironment for cell growth and division.

**New Life for Cancer Diagnostics:**
In addition to their therapeutic abilities for improved healing, these technologies could also support the development of advanced cancer diagnostics tools.

By replicating the natural microenvironment tumor cells experience in the body, we can achieve more accurate results when testing drugs in a laboratory setting.

**This next generation of cancer diagnostics will better inform anti-cancer therapies customized for individual patient results.**

**In this case...**
**IMITATION is the highest form of INNOVATION**

## PRODUCT PIPELINE

<table>
<thead>
<tr>
<th>Product</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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</thead>
<tbody>
<tr>
<td>1) Human Demineralized Cortical Bone</td>
<td>FCS</td>
<td>First Commercial Sale (FCS)</td>
<td></td>
<td></td>
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<tr>
<td>2) Amnion</td>
<td>FCS</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>3) Marcell</td>
<td></td>
<td>FCS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4) Bone Scaffold + ECM</td>
<td></td>
<td>510(k) Filed</td>
<td>Review</td>
<td>FCS</td>
</tr>
<tr>
<td>5) Skin + ECM</td>
<td></td>
<td>510(k) Filed</td>
<td>Review</td>
<td>FCS</td>
</tr>
<tr>
<td>6) Cartilage + ECM</td>
<td></td>
<td></td>
<td>510(k) Filed</td>
<td>Review</td>
</tr>
</tbody>
</table>

Superior products… fast to market
## Tissue Repair: A Target-Rich Market

<table>
<thead>
<tr>
<th>Date</th>
<th>Acquirer</th>
<th>Target</th>
<th>Transaction Value</th>
<th>LTM Revenue</th>
<th>Implied EV/Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/31/2015</td>
<td>X-spine Systems</td>
<td>Bacterin International Holdings, Inc.</td>
<td>$65.0</td>
<td>$80.0</td>
<td>N/A (merger)</td>
</tr>
<tr>
<td>6/25/2015</td>
<td>Integra LifeSciences</td>
<td>TEI Biosciences</td>
<td>$312.0</td>
<td>$63.5</td>
<td>4.9x</td>
</tr>
<tr>
<td>10/23/2014</td>
<td>Globus Medical</td>
<td>Transplant Technologies</td>
<td>$51.1</td>
<td>$8.00</td>
<td>6.4x</td>
</tr>
<tr>
<td>12/21/2010</td>
<td>MiMedx Group</td>
<td>Surgical Biologics</td>
<td>$14.3</td>
<td>$1.56</td>
<td>6.1x</td>
</tr>
<tr>
<td>8/16/2010</td>
<td>Medtronic</td>
<td>Osteotech</td>
<td>$135.2</td>
<td>$95.8</td>
<td>1.2x</td>
</tr>
<tr>
<td>5/8/2008</td>
<td>NuVasive</td>
<td>Osiris Therapeutics (Osteocel Biologics Business)</td>
<td>$85.0</td>
<td>$20.9</td>
<td>4.1x</td>
</tr>
</tbody>
</table>
EXCITING AND DOABLE OPPORTUNITY

1. Licensed facility
2. 200 to 2 new products
3. $3B huge market
4. Incentivized market access partners
5. $36M growth
6. Differentiated, superior, scalable products

- KOL
- 53% 4-year CAGR
- $6M
THANK YOU!

CONTACT:

**Lattice Biologics Ltd.**
16701 N 90th Street Ste#101
Scottsdale, AZ 85260
480.563.0800

**Guy Cook - CEO**
406.570.2658
GCook@latticebiologics.com

**Cheryl Farmer - CFO**
602.723.1934
CFarmer@latticebiologics.com

NOW TRADING!

Lattice Biologics Ltd. is traded as TSX-V: LBL | OTCBB: BLVKF