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## News Release

October 3, 2003

### **OSTEOBIOLOGICS, INC. Closes \$9.2 Million Financing**

**SAN ANTONIO, TX.** – OsteoBiologics, Inc. (“OBI”) announced that it has closed a \$9.2 million financing led by Thomas, McNerney & Partners and The Vertical Group. They join Woodside Fund as major investors. The funds will be used to launch and commercialize OBI’s proprietary products for bone and cartilage repair in arthroscopy and sports medicine, as well as for research and development and working capital.

In July, OBI received FDA clearance to market and distribute a composite bone void filler device called PolyGraft™ Bone Graft Substitute (BGS). The porous PolyGraft™ BGS product is composed of a patented blend of polylactide-co-glycolide, calcium sulfate and polyglycolide fibers, making it the first polymeric bone void filler to be cleared by the FDA. The PolyGraft™ product family includes granules, cubes, blocks and preformed cylinders and is indicated to be used to fill bony voids or gaps caused by trauma or surgery that are not intrinsic to the stability of the bony structure.

Fred Dinger, President and CEO of OBI, stated “We are pleased to have Thomas, McNerney & Partners and The Vertical Group join Woodside Fund as major investors in OBI. They contribute significant medical device experience and knowledge that will be integral to our future success.” Mr. James Thomas of Thomas, McNerney & Partners and Mr. Richard Emmitt of The Vertical Group have joined the OBI Board of Directors. Thomas, McNerney & Partners is a health care private equity firm that invests in life science and medical technology companies at all stages of development. The Vertical Group is a venture capital firm specializing in the medical device and instrumentation industry. Woodside Fund has backed OBI since inception.

### **About OsteoBiologics, Inc.**

OBI, located in San Antonio, Texas, is a private company that develops and manufactures bioabsorbable polymeric scaffolds, films, and related instrumentation for the evaluation, repair and replacement of bone and articular cartilage. Its products are based on proprietary and patented technologies covered by 30 U.S. and foreign patents issued or allowed, and more than 30 U.S. and foreign patents pending or in prosecution.

Certain statements made in this press release are forward looking statements as such term is defined in the Private Securities litigation Reform Act of 1995.