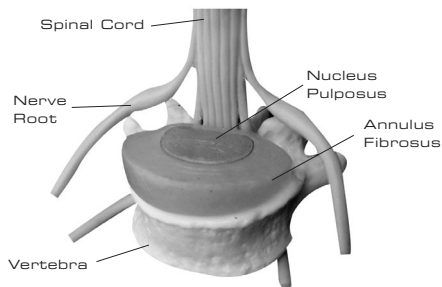


Greenhouse Fund Recipient



Gelifex's Non-Fusion Device



- Eliminates the need for spinal fusion by restoring normal disc motion
- Reduces the 'hypermobility' required above and below the fusion level

Gelifex, Inc. was formed in June 2002 to develop novel implants for use in relieving pain and restoring motion to patients suffering from degenerative disc disease of the lower back.

Over five million Americans suffer from chronic lower back pain, making it the number one cause of lost workdays in the United States. Approximately 10% of all patients who suffer from routine back pain currently undergo some form of surgical intervention. With over \$50 billion spent in annual direct and indirect medical expenses each year, the treatment of lower back pain is one of the most expensive healthcare issues today.

The U.S. market for spinal products is estimated at around \$1.4 billion, growing at over 20% a year. Almost all of this market is associated with devices such as plates, screws and rods that assist or induce fusion of the spine. In the future, however, it is expected that surgical alternatives to fusion will become more important, particularly approaches currently being developed which replace either the entire disc with a moving joint implant or a

part of the disc with an elastic prosthesis. Nucleus replacement products for early stage treatment of patients (such as the ones being developed by Gelifex) could represent a \$600-\$650 million market opportunity.

Proposed Project

Gelifex intends to use BioAdvance funds to continue development of its nucleus replacement implant system to the point where first round institutional venture funding can be obtained. Specifically Gelifex will be using its unique polymer technology and developing a minimally invasive surgical procedure which enables the mechanical properties of the disc to be restored. To do this, Gelifex will expand its staff by hiring biomedical engineers with the skills to design and test a variety of implant designs and concepts. By the end of the project, Gelifex will be able to demonstrate a working prototype of its nucleus replacement implant and file a variety of patents on these designs. The core technology for Gelifex's non-fusion device is licensed from Drexel University.

Management

Alastair Clemow, Ph.D., M.B.A., Chief Executive Officer, has over 18 years of experience in managing orthopaedic companies, much of it at Johnson & Johnson where he was Vice President of Business Development. For five years before that, he was Director of R&D at Johnson & Johnson Orthopaedics. He is the holder of eight patents in the area of arthroscopy and spinal implants as well as the author of over 40 papers, books and presentations. Alastair Clemow obtained his B.Sc. and Ph.D. in metallurgy from the University of Surrey (UK) and has an MBA from Columbia University. Dr. Clemow serves on the Boards of both CG Surgical and BioMedical Enterprises.

Michele Marcolongo, Ph.D., P.E., Founder and Chairwoman, is an Assistant Professor of Biomedical Engineering at Drexel University and an expert in orthopedic biomechanics and biomaterials. She has experience in industrial development of novel materials through her work with the DePuy-DuPont joint venture where she was responsible for the development of a novel finger prosthesis as well as a composite hip prosthesis. Dr. Marcolongo is the Principal Investigator on grants from the NSF, NIH and numerous commercial companies. Dr. Marcolongo received her B.S. from the University of Delaware and her Ph.D. from the University of Pennsylvania.

Tony Lowman, Ph.D., Founder and Chief Technical Officer, is an Associate Professor of Chemical Engineering at Drexel University and a co-inventor on the pending patent applications. His expertise is in hydrogels and obtained his Doctorate at Purdue University under Dr. Peppas, a recognized world leader in hydrogels. Dr. Lowman is the Principal Investigator on grants from the NSF, NIH, Whitaker Foundation and Ben Franklin Foundation. Dr. Lowman received his B.S. from the University of Virginia.

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