THOMPSON STREET CAPITAL PARTNERS

THOMPSON STREET PORTFOLIO COMPANY ISTO HOLDINGS ACQUIRES ARTERIOCYTE MEDICAL SYSTEMS TO FORM ISTO BIOLOGICS

ST. LOUIS (October 19, 2016) – ISTO Holdings, a Thompson Street Capital Partners (TSCP) portfolio company, today announced that it has acquired medical-device company Arteriocyte Medical Systems Inc., of Hopkinton, Massachusetts, with plans to integrate the companies under the name ISTO Biologics. The new ISTO Biologics will be focused on offering evidence-based solutions to expand its spine, orthopedics, and functional medicine product portfolios. ISTO Biologics will be headquartered in St. Louis, while also maintaining operations in Massachusetts. Terms of the sale were not disclosed.

"We're excited to bring together two great organizations under the ISTO umbrella and build upon their leading biologics platforms," said Anthony Chambers, Director at Thompson Street Capital Partners, who provided capital for the transaction. "Both ISTO and Arteriocyte have achieved remarkable success by developing innovative, clinically-proven product offerings that help improve patient outcomes. The integrated product portfolio, combined with the expanded sales force and broader distribution network, will allow ISTO Biologics to extend its reach within the spine, orthopedics, and functional medicine markets."

Said George Dunbar, CEO of ISTO Biologics, "We are grateful for the support of Thompson Street Capital Partners and are excited to lead ISTO Biologics into the future. The integration of ISTO and Arteriocyte presents an opportunity to leverage our combined expertise to establish a strong position in an ever-changing market and better serve our physician partners as they work to grow their practice and meet the demands of value-based healthcare."

ISTO Biologics' expanded, best-in-class product portfolio will feature Arteriocyte's market-leading MAGELLAN® Autologous Platelet Separator (PRP) and ISTO's bone growth and cell-therapy products including InQu® Bone Graft Extender & Substitute; Influx®, a natural bone-graft material; and CellPoint®, a concentrated bone marrow aspirate system.

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