

23 February 2017

Allegra Orthopaedics Limited
Non-Renounceable Rights Issue

Allegra Orthopaedics Limited ACN 066 281 132 ('the Company') is pleased to provide an opportunity for holders of shares in the Company (Shareholders) with a registered address in Australia or New Zealand (Eligible Shareholders) as at 7:00 p.m. AEDT on 14 March, 2017 (Record Date) to participate in a non-renounceable pro rata rights issue (Rights Issue or the Offer).

Pursuant to the Rights Issue, the Company will issue up to approximately 9,752,027 fully paid ordinary shares in the capital of the Company (New Shares) at an issue price of \$0.125 (12.5 cents) per New Share. The New Shares will be offered to Eligible Shareholders on the basis of two (2) New Shares for every fifteen (15) fully paid ordinary shares (Shares) held in the Company as at the Record Date (Entitlement).

Fractional entitlements under the Offer will be rounded up to the nearest whole number of New Shares. The New Shares will be fully paid, will rank equally with the Company's existing issued Shares and the Company will make an application to the ASX for official quotation of the New Shares.

If fully subscribed, the Offer will raise up to approximately \$1,219,003 before transaction costs. The Rights Issue will not be underwritten. The Company will use the net proceeds from this Rights Issue to (1) continue funding the Sr-HT-Gahnite bone substitute project and (2) increase its investment in surgical instrumentation and inventory to support the Company's expanding surgeon numbers base.

The rights to subscribe for the New Shares in accordance with an Entitlement under the Offer (Rights) are non-renounceable which means that Eligible Shareholders who do not wish to subscribe for some or all of their Entitlement will be unable to sell their respective Rights.

The Offer will also include a top up facility under which Eligible Shareholders who take up their full Entitlement may apply for additional New Shares not taken up by other Eligible Shareholders. There is no guarantee that applicants under this top up facility will receive all or any of the additional New Shares they apply for under the facility. In the event of oversubscriptions from the top up facility, top up facility applications will be scaled back on a pro-rata basis. Following acceptance of top up facility applications, the directors retain the right to place any remaining shortfall. The Directors are expecting strong support from Eligible Shareholders and therefore do not anticipate any significant shortfall.

Allegra Orthopaedics Limited

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The number of issued Shares at the date of this announcement and the total number of issued Shares at the close of the Offer (if fully subscribed) are as follows:

Number of Shares currently on issue and quoted on ASX	73,140,205
Number of New Shares to be issued under the Offer	Up to 9,752,027
Total Shares on issue on completion of the Offer	Up to 82,892,232

Shareholders as at the Record Date that have a registered address outside Australia or New Zealand (Ineligible Shareholders) will not be eligible to participate in the Offer. In accordance with ASX Listing Rule 7.7.1, the Company has determined that it would be unreasonable to extend the Offer to Ineligible Shareholders.

Under the Offer, Eligible Shareholders may:

- take up all of their Entitlement;
- take up all of their Entitlement and apply for additional New Shares under the top up facility;
- allow all of their Entitlement to lapse; or
- take up part of their Entitlement and allow the balance to lapse.

Eligible Shareholders who are taking up part or all of their Entitlement must ensure that the completed Entitlement and Acceptance Form and Application Money is received by the Company's share registry, Link Market Services Limited, by 5.00pm AEST on the Closing Date (Friday, 7 April 2017).

The proposed timetable and important dates of the Rights Issue are set out below.

Event	Date
Announcement of Rights Issue and Appendix 3B lodged with ASX	Thursday, 23 February 2017
Rights Issue Document and cleansing notice lodged with ASX	Thursday, 9 March 2017
Notice to Shareholders containing information required by Appendix 3B	Friday, 10 March 2017
Ex date – the date on which Shares commence trading without the entitlement to participate in the Rights Issue	Monday, 13 March 2017

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Record Date – the date for determining entitlements of Shareholders to participate in the Rights Issue	Tuesday, 14 March 2017
Dispatch of Rights Issue Document and Entitlement and Acceptance Form (second cleansing notice lodged)	Friday, 17 March 2017
Rights Issue opens for acceptances	Friday, 17 March 2017
Last day to extend offer closing date	Thursday, 23 March 2017
Closing Date	Friday, 7 April 2017
Securities quoted on a deferred settlement basis.	Monday, 10 April 2017
Notification to ASX of under subscriptions	By Wednesday, 12 April 2017
Allotment of New Shares/ Issue Date Deferred settlement trading ends	By Thursday, 13 April 2017
Normal (T+2) trading commences	Tuesday, 18 April 2017

This timetable is indicative only and subject to change. Subject to the Corporations Act 2001 and the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date. The Directors also reserve the right not to proceed with the Offer (or any part of it) at any time prior to allotment. In that event, any application money received will be returned without interest.

The Offer will be made to Eligible Shareholders under section 708AA of the Corporations Act on 17 March 2017.

Justyn Stedwell

Company Secretary

On behalf of the Board of Directors

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