

4 April 2017

Dear Shareholder

Allegra Orthopaedics Limited - Non-Renounceable Rights Issue

Allegra Orthopaedics Limited ACN 066 281 132 ('the Company') advises that its non-renounceable pro rata rights issue (Rights Issue or the Offer) will close on 7 April 2017. Holders of shares in the Company with a registered address in Australia or New Zealand (Eligible Shareholders) as at 7:00 p.m. AEDT on 14 March, 2017 (Record Date) are eligible to participate in the Rights Issue.

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 are being 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). The Offer issue price of \$0.125 (12.5 cents) per New Share represents a 63.2% discount to the closing price of Shares as traded on ASX on 3 April 2017 (\$0.34 (34 cents)).

Full details of the Offer are contained in an Offer Document, lodged with ASX on 9 March 2017. The Offer Document is available on the ASX website, www.asx.com.au, (ASX Code: AMT). The Offer Document and an Entitlement and Acceptance Form were sent to all Eligible Shareholders on 17 March 2017.

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

In addition to accepting all of their Entitlement, Eligible Shareholders may apply for shortfall (if any) under the Offer. Please refer to the Offer Document for further information regarding the application for shortfall under the Offer.

Please ensure you read the Offer Document in its entirety and refer to the Company's ASX announcements before considering whether to participate in the Offer. If in any doubt you should consult your professional advisor.

For further information on your Entitlement please contact the Company's share registry, Link Market Services Limited, by telephone on 1300 420 208 (within Australia) or +61 1300 420 208 (from outside Australia).

Yours faithfully

Justyn Stedwell
Company Secretary
On behalf of the Board of Directors
Allegra Orthopaedics Limited

Allegra Orthopaedics Limited

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