

16 March 2017

ASX Announcement
Notice under section 708AA of the Corporations Act

This notice is provided by Allegra Orthopaedics Limited ACN 066 281 132 (“Allegra’ or ‘the Company’) under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (Corporations Act).

Allegra refers to a two for fifteen non-renounceable pro rata rights issue (Rights Issue or the Offer) to holders of shares in the Company with a registered address in Australia or New Zealand as at 7:00 pm AEDT on 14 March 2017 (Eligible Shareholders).

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 Offer Document for the Rights Issue will be dispatched to Eligible Shareholders and the Offer will open on 17 March 2017.

Eligible Shareholders may, in addition to taking up their entitlements in full, apply for additional shares in excess of their entitlements at the same price under the Offer.

In accordance with section 708AA(2)(f) of the Corporations Act the Company hereby gives notice that:

1. Allegra will offer the New Shares without disclosure to investors under part 6D.2 of the Corporations Act as modified by CO 08/35;
2. Allegra is giving the notice under section 708AA(2)(f) of the Corporations Act as modified by CO 08/35;
3. as at the date of this notice, Allegra has complied with:
 - a. the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - b. section 674 of the Corporations Act;
4. as at the date of this notice, there is no information:
 - a. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and

Allegra Orthopaedics Limited

Level 8, 18-20 Orion Road Lane Cove NSW 2066 Australia; PO Box 72 St Leonards NSW 2065 Australia

T +612 9119 9200 **T** Toll Free 1800 644 370

F +612 9439 4441 **F** Toll Free 1800 624 223

E sales@allegraorthopaedics.com **W** www.allegraorthopaedics.com

- b. that investors and their professional advisors would reasonably require, and would reasonably expect to find in a disclosure document, for the purposes of making an informed assessment of:
 - i. the assets and liabilities, financial position and performance, profit and losses and prospects of Allegra; or
 - ii. the rights and liabilities attaching to the New Shares.
- 5. The potential effect the issue of New Shares will have on the control of Allegra is as follows:
 - a. if all Eligible Shareholders take up their entitlements under the Rights Issue, then the Offer will have no significant effect or consequence on the control of Allegra;
 - b. if an Eligible Shareholder does not take up entitlements under the Rights Issue, then the shareholding interest of that shareholder in Allegra will be diluted;
 - c. the shareholding interest of shareholders with a registered address outside of Australia and New Zealand will be diluted as such shareholders are not entitled to participate in the Offer; and
 - d. the Company's largest shareholder, Robinwood Investments Pty Ltd (**Robinwood**) currently holds a relevant interest in 31,996,321 Shares, giving it a voting power of 43.75%. In the unlikely event that Robinwood is the only shareholder to participate in the Offer, and the shortfall is not placed, Robinwood's voting power would increase by a maximum of approximately 3.1%. The Directors consider that any such increase in Robinwood's voting power will have minimal practical impact on the control of the Company as Robinwood is already the Company's majority shareholder. The Directors also consider it likely that there will be strong support for the Offer and there will therefore be limited, if any, shortfall which is not placed.

Justyn Stedwell

Company Secretary

On behalf of the Board of Directors

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