



Medicrea Announces €20 million Financing to Support Commercial Expansion of Patient-Specific UNiD™ Rods for Spine Surgery

**Athyrium Capital Management Purchases €15 million in Convertible Bonds
Additional €5 million Raised Through Equity Private Placement
Medicrea Appoints Richard Kienzle, Founding Member of Globus Medical, as Board Director, Chief Commercial Officer and Business Development Officer**

Lyon and New York, August 9, 2016 - Medicrea (Alternext Paris: FR0004178572 – ALMED), pioneering the development and manufacture of personalized analytical services and implant solutions for the treatment of complex spinal conditions, announced today that it has entered into agreements to raise €20 million to support further US market penetration of the UNiD™ Patient-Specific Rods and to begin commercializing the technology in new international markets. In addition, Medicrea has appointed Richard Kienzle as Chief Commercial Officer and Business Development Officer. Mr. Kienzle will also join Medicrea's Board of Directors.

The financing consists of 4 years, 6.75% €15 million Convertible Bonds and €5 million in equity.

The sole investor in the Convertible Bonds is a leading US healthcare investor, Athyrium Capital Management. The nominal amount of the issuance will be 15,000,000 euros represented by 2,400,000 Bonds each with a par value of €6.25. The Convertible Bonds will bear interest at an annual nominal rate of 6.75% payable on a quarterly basis in arrears. The Convertible Bonds will be due August 12, 2020. Each Bond is convertible into new ordinary shares of the Company (at the initial conversion ratio of one share for one bond subject to adjustment) at a price per share amounting to €6.25, a 22.5% premium to the 5-day volume weighted average stock price prior to the transaction. The payment of all sums due in relation to the Convertible Bonds will be irrevocably and unconditionally guaranteed from the issue date by Medicrea USA Corp. The terms of the Convertible Bonds contain certain financial covenants.

The Convertible Bonds will be issued at par on August 12, 2016, the expected settlement and delivery date of the Bonds. The Convertible Bonds, issued as per the 2nd resolution of the extraordinary general shareholders meeting of Medicrea of December 18, 2015, will not be admitted to trading. At the issue date, the potential dilution upon conversion of all of the Bonds would be 19.3% taking into account the simultaneous equity private placement mentioned below.

In the equity private placement, Medicrea will issue 1,028,803 common shares with a nominal value of €0.16 at a price of €4.86, which represents a discount of 5% compared to the 3-day volume weighted average stock price prior to the transaction. The 1,028,803 shares represent the maximum number of shares to be issued as per the 12th resolution of the ordinary and extraordinary general shareholders meeting of Medicrea of June 3, 2015. The participating eligible investors pursuant to Article L. 411 -2 II of the French Monetary and Financial Code include Medicrea's President and CEO, Denys Sournac, current Board members, the newly appointed Director and Executive Officer, Richard Kienzle, and various US and French investors. The new shares carry dividends rights and will be listed on Alternext Paris on the same quotation line as the existing shares, under ISIN code FR0004178572 – ALMED. At the issue date, the potential dilution arising from the equity private placement taking into account the conversion of all the Bonds would be 27.6%. The settlement is expected to take place on August 12, 2016.

Richard Pines, Partner, Athyrium Capital Management, said, "We are pleased to invest in the acceleration of Medicrea's global commercialization efforts. With UNiD™, surgeons can more precisely achieve their surgical goals and restore proper sagittal alignment for their patients, a predictor of success for complex spine procedures. The technology's personalized services and innovative approach to spine surgery offer significant growth potential with tens of thousands of complex multi-level fusions occurring each year in the US. We are also glad to see Rick Kienzle joining Medicrea. Rick is a successful spine executive with a deep network in complex spine. We expect he will have a positive impact on the global sales and marketing activities of Medicrea."

Mr. Sournac stated, "This financing represents a significant milestone for Medicrea. It is the largest fund-raising undertaken in the Company's history since Medicrea went public in Europe on the Alternext market and attracting such a high-quality US healthcare investor as Athyrium is a true testament to the strong position Medicrea has taken as the leader in personalized spine care."

"I am equally excited to welcome Rick Kienzle to the Medicea team," continued Mr. Sournac. "His vast experience in the spine industry will be a significant asset to us as we continue to execute on our growth strategy for UNiD™."

Mr. Kienzle was a founding member of Globus Medical, a leading musculoskeletal implant manufacturer. Serving as the company's Executive Vice President Global Sales and Marketing, he helped lead Globus from a non-revenue generating company to \$280 million in sales in 7 years. Mr. Kienzle has 25 years of executive sales management experience across industry-leading orthopedic companies, including Globus Medical, Synthes and US Surgical.

"I am pleased to join Medicea at such a critical juncture in the Company's development," said Mr. Kienzle. "I believe Medicea to be a true pioneer in the global spine industry with data-driven, value-based, next-generation and comprehensive solutions for the Personalized Complex Spine Market. The US market opportunity is profound. I look forward to working with the entire Medicea team to deploy these significant resources efficiently and effectively as Medicea reshapes the Complex Spine paradigm and rapidly expands its commercialization efforts with UNiD™ and the entire suite of personalized and optimized technologies."

To date, Medicea has collaborated in nearly 900 UNiD™ surgeries with a growing number of healthcare providers who recognize the value of Patient-Specific UNiD™ Rods to reduce operation times and enhance patient outcomes using clinically-proven sagittal alignment parameters. Each case is also supported by Medicea's end-to-end analytical service to further develop the Company's collaboration with surgeons and providers for improved patient care that can be defined through an expanding scientific data set. Surgeons and patients describe the [impact of UNiD™ in a video](#) created by Medicea to supplement this announcement.

Mr. Sournac stated, "There are now significant forces aligning behind Medicea's efforts to bring personalized, value-based solutions to Spine: We own a unique market space with an unrivaled technology in UNiD™; Our core management team has never been stronger or more connected with Rick on board, and; We have the security to focus on rapid commercialization with Athyrium's backing and other key investors in place."

Raymond James & Associates, Inc. acted as sole placement agent for the transactions.

About Medicea (www.medicea.com)

The Medicea Group is solely responsible for introducing personalized value-based healthcare solutions to the global complex spine market. The Company has driven innovation in Spine by focusing development on outcome-focused, market-disrupting technologies, including the growing UNiD™ Technology Platform of Patient-Specific Implants and Analytical Services, which received the first-ever FDA Clearance in November 2014. Medicea has uniquely positioned itself outside of the traditional implant manufacturer's role in order to engage with each market player as a collaborator, offering customized implants to patients, personalized services to doctors and immediate cost-savings to providers. By leveraging its proprietary solutions with science, Medicea is well-placed to improve spinal care efficiency for all stakeholders and continue charting clinical advancements.

About Athyrium (www.athyrium.com)

Athyrium Capital Management, LP ("Athyrium") is a specialized asset management company formed in 2008 to focus on investment opportunities in the global healthcare sector. As of March 31, 2016, Athyrium had over \$1.7 billion of assets under management. The Athyrium team has substantial investment experience in the healthcare sector across a wide range of asset classes including public equity, private equity, fixed income, royalties, and other structured securities. Athyrium invests across all healthcare verticals including biopharma, medical devices and products, and healthcare focused services. The team partners with management teams to implement creative financing solutions to companies' capital needs.

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