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Medicea International raises €3.1 million

Lyon, July 10th 2018 – MEDICREA INTERNATIONAL (Euronext Growth: ALMED, FR0004178572, PEA-PME eligible), pioneering the convergence of healthcare IT and next-generation, outcome-centered spinal device design with UNiD™ ASI (Adaptive Spine Intelligence) technology ("Medicea" or the "Company"), today announces a capital increase of €3,083,777 with 4 U.S. institutional investors.

This fund raising concerns a total of 1,127,936 ordinary shares with warrants attached ("ABSA") issued at a unit price of €2.734 (including issue premium), i. e. a gross amount of €3,083,777. The number of ordinary shares issued may be increased to €1,691,904 or a maximum total gross amount of €4,775,681 in the event that all the warrants ("BSA") are exercised.

This fund raising which main goal is to accelerate the development of new services within the UNiD™ HUB will also allow the company to maintain liquid assets above €3.5 million in conformity with existing contractual covenants. The Company believes that this fund raising (excluding the exercise of the warrants) should confer the Company with the means to finance its activity until end of H1 2019.

KEY FEATURES OF THE CAPITAL INCREASE

Subscription Price

The ABSAs have been subscribed at a price of €2.734, with a share reference price¹ of €2.70. The subscription price of the ABSAs compared to the sum of the reference share price and of the theoretical value of the BSAs shows an overall discount of 8.9%.

Settlement and delivery of the ABSAs should take place (subject to customary market conditions) on July 13th, 2018.

Number of securities issued and resulting dilution

The transaction involves 1,127,936 new ordinary shares issued, resulting in a dilution of approximately 7%. Based on existing capital of 15,082,811 shares prior to the transaction, the capital increase raises the total number of ordinary shares comprising the share capital to 16,210,747 shares.

The new shares carry rights from January 1, 2018, and are tradable on the Euronext Growth market as from July 13th, 2018. They will be listed on the same listing line as the existing shares (ISIN: FR0004178572) as soon as they are admitted for trading.

¹ The reference price of the share corresponds to the volume-weighted average of the share prices of the last 10 trading days prior to the fixing of the subscription price.

The shares represent 7.47% of the Company's share capital as of this day (pre-issue), and 11,22% in the event of the exercise of all the BSAs.

For illustrative purposes, the interest of a shareholder holding 1.00% of share capital of the Company prior to the transaction is brought to 0.93% after the transaction, and would be brought to 0.90% if all the BSAs were to be exercised.

Characteristics of the warrants

1,127,936 new shares issued comes with one BSA, for a total issuance of 1,127,936 BSAs.

Two BSAs entitle holders to subscribe to one new Medicea ordinary share, at an exercise price of €3.

The BSAs shall be exercisable for a period of three years after their issuance.

The theoretical value of one BSA is €0.3194, assuming a volatility of 40% based on the closing price on July the 9th, 2018 which is equal to €2.70 (Black & Scholes formula).

The BSAs are immediately detached from the shares upon issuance. The BSAs will not be subject to a request for admission to trading on the Euronext Growth market in Paris and will therefore not be listed.

Main investor

Stonepine Capital, L.P., a U.S. institutional investor is subscribing for 548,647 ABSAs, i.e. in total 48.64% of the 1,127,936 ABSAs.

Information on total dilution after exercise of all of the outstanding financial instruments

The dilution subject to the exercise or conversion of the outstanding securities giving access to the capital should be analysed as follows:

	Before the July 2018 placement	Conversion of Athyrium bonds of August 2016	Exercise of the December 2017 warrants	Issue of new shares with warrants-July 2018	Exercise of the July 2018 warrants	Stocks Options exercise	After the July 2018 placement following conversion of all of the instruments
Number of ordinary shares	15,082,811	2,400,000	1,168,170	1,127,936	563,968	1,260,000	21,602,885
Exercise / conversion price	-	6.25 €	3.15 €	2.734 €	3 €	3.27€*	-
Possible cumulative dilution	-	13.73 %	19.99 %	25.69%	28.46%	34.29%	34.29%

*average exercise price

To the Company's knowledge, the distribution of the Company's shareholders holding more than 5% of the share capital on a non-diluted basis before and after the capital increase is as follows:

Shareholders holding at least 5.00% of the share capital of the Company before the capital increase	Shares before the completion of the capital increase (non-diluted basis)		Shares after the completion of the capital increase (non-diluted basis)	
	Number of shares	Percentage	Number of shares	Percentage
Orchard international	1,727,490	11.45%	1,727,490	10.55%
Armistice Capital Master Fund	1,366,464	10.05%	1,516,000	9.35%
Total	3,243,490	21.50%	3,323,490	20.01%

Lock-up

As part of the capital increase, the Company promises not to issue shares or other equity linked securities for a period of 90 days following the settlement and delivery date of the securities, subject to certain customary exceptions. Certain officers and/or directors of the Company, holding less than 10% of the share capital of the Company, have also undertaken not to sell, directly or indirectly, shares or other securities giving access to the share capital for a period of 90 days following the settlement dates of the securities issued, subject to the usual exceptions.

Type of transaction and type of offering

This fund raising is made by way of a capital increase through the issuance of ordinary shares, one BSA being attached to each ordinary share, with the cancellation of preferential subscription rights, by way of an offer reserved to a category of investors in accordance with Article L. 225-138 of the Commercial Code.

None of the current officers of the company are among the beneficiaries of this transaction.

Legal framework

Using the authorization granted by the ordinary and extraordinary General Meeting of May 17, 2018, pursuant to the 14th resolution, the Board of Directors decided on July 9th 2018 the issuance of 1 127 936 ABSAs in the context of a reserved offer in favour of a category of investors as defined in the 14th resolution of the said meeting in accordance with the provisions of Article L. 225-138 of the French Commercial Code, i. e. funds and/or investment companies with an international dimension (i. e.: carrying out financial operations in several countries), operating in the field of health and/or medical devices and each of which would participate in the operation for an amount at least equal to €100,000 or the equivalent of this amount in foreign currency (in accordance with the provisions of Article 211-2 3° of the General Regulations of the *Autorité des Marchés Financiers*).

It should be noted that the aforementioned capital increase did not give rise to, nor will it give rise to, the establishment of a prospectus subject to approval by the *Autorité des Marchés Financiers*.

Risk factors

The Company draws the public's attention to the risk factors related to the Company and its activities presented in the registration document (*document de référence*) filed with the AMF under number R.17-072 on November 10, 2017, which is available free of charge on the websites of the Company (www.medicrea.com) and/or the AMF (www.amf-france.org).

Placement Agent.

Craig-Hallum Capital Group LLC acted as placement agent in the offering.

Next press release : September 18th, 2018 : half year results

About MEDICREA INTERNATIONAL (www.medicrea.com)

Through the lens of predictive medicine, Medicrea leverages its proprietary software analysis tools with big data and machine learning technologies supported by an expansive collection of clinical and scientific data. The Company is well-placed to streamline the efficiency of spinal care, reduce procedural complications and limit time spent in the operating room.

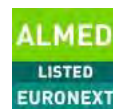
Operating in a \$10 billion marketplace, Medicrea is a Small and Medium sized Enterprise (SME) with 185 employees worldwide, which includes 50 who are based in the U.S. The Company has an ultra-modern manufacturing facility in Lyon, France housing the development and production of 3D-printed titanium patient-specific implants.

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Disclaimer

In France, the offer of Medicrea securities described above will take place solely as a placement in accordance with Article L. 225-138 of the *Code de commerce* and applicable regulations. The offering does not constitute a public offering in France, as defined in Article L. 411-1 of the *Code monétaire et financier* and no prospectus reviewed or approved by the *Autorité des marchés financiers* will be published.

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