



Admedus Ltd  
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1 August 2016

Dear Optionholder

## RENOUNCEABLE ENTITLEMENT OFFER

I am writing to you in relation to your option holding in Admedus Ltd (**Company**) (ASX:AHZ).

As announced on 29 July 2016, the Company is undertaking a renounceable pro-rata entitlement offer on the basis of 1 new share (**New Share**) for every 9 shares in the Company (**Share**) held by eligible shareholders at an issue price of \$0.33 per New Share (**Entitlement Offer**) to raise up to approximately \$8.3 million (before costs). The Entitlement Offer will be made pursuant to a prospectus in accordance with section 713 of the *Corporations Act 2001* (Cth) (**Offer Document**). If the Entitlement Offer is fully subscribed, approximately 25,173,093 New Shares will be issued (subject to rounding and assuming that no options are exercised prior to the Record Date).

The Company also announced on 29 July 2016 that it had completed a placement of New Shares to sophisticated and institutional investors of approximately 30 million Shares at an issue price of \$0.33 per New Share to raise approximately \$10 million (before costs) (**Placement**).

Completion of the Entitlement Offer and Placement will together raise up to approximately \$18.3 million (before costs). The Company is undertaking the capital raising to strengthen the Company's financial position. The funds raised will be used to scale up manufacturing to meet market demand for new product and IP development, for new market expansion across emerging markets and new product ranges, for further development and investment in immunotherapy programmes, for clinical and post market studies, and for general working capital purposes.

The Entitlement Offer is only available to shareholders whose registered address is in Australia, New Zealand, Singapore or the United Kingdom as recorded with the Company's share registry as at 5.00pm (WST) on 15 August 2016 (**Record Date**) (**Eligible Shareholders**).

In accordance with the Listing Rules, the Company, by this letter, gives you notice of your right to participate in the Entitlement Offer, subject to the requirements detailed below.

To participate in the Entitlement Offer, you will need to have exercised your options and have been issued the resulting Shares prior to the Record Date. Notice of exercise of options and cleared payment of the exercise price of the options must be received by Computershare Investor Services Pty Limited on or before 9 August 2016. Notices of exercise of options received after this date cannot be assured of the allotment of Shares by the Record Date for the Entitlement Offer.

There is no obligation for you to exercise your options. This letter is intended to inform you of your rights in relation to your options and the Entitlement Offer. If you do not wish to participate in the Entitlement Offer, you do not need to take any action. If you require an option exercise form, please contact the Company on +61 8 9266 0100.

## Indicative Timetable

The indicative timetable for the Entitlement Offer is as follows:

Event	Date
Company sends letters to Foreign Shareholders and Eligible Shareholders	1 August 2016
Lodgement of Prospectus with ASIC and provision of a copy to ASX	2 August 2016
'Ex' Date	12 August 2016
Entitlement Trading Commencement Date	12 August 2016
Record Date (at 5.00pm WST)	15 August 2016
Prospectus dispatched to Eligible Shareholders	18 August 2016
Opening Date	18 August 2016
Entitlement Trading End Date	22 August 2016
Shares quoted on a deferred settlement basis	23 August 2016
Closing Date (at 3.00pm WST)*	29 August 2016
Notify ASX and Lead Manager of any Shortfall**	1 September 2016
Anticipated issue date of New Shares	5 September 2016
Deferred settlement trading ends	5 September 2016
Anticipated date for dispatch of holding statements	6 September 2016
Anticipated date for commencement of trading of New Shares	6 September 2016

This timetable is indicative only and may be subject to change. The Company reserves the right to amend this indicative timetable at any time, subject to the Corporations Act and the Listing Rules.

\* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Entitlement Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

\*\* The Shortfall Offer is subject to Eligible Shareholders not taking up all of their rights to New Shares under the Entitlement Offer.

## Shortfall Offer

If the Entitlement Offer is not fully subscribed, the directors reserve the right, subject to any restrictions imposed by the *Corporations Act 2001* (Cth) and Listing Rules, to issue New Shares not otherwise taken up under the Entitlement Offer (**Shortfall Shares**) at their sole discretion (**Shortfall Offer**).

The Shortfall Offer will be a separate offer made pursuant to the Offer Document and may remain open after the Closing Date. The issue price of the Shortfall Shares will be \$0.33 each, being the same price as the New Shares being offered under the Entitlement Offer.

### **Trading of Entitlements**

An Eligible Shareholder's entitlement to subscribe for New Shares under the Entitlement Offer (**Entitlement**) is renounceable, which means that Eligible Shareholders that do not wish to exercise all or a portion of their Entitlement may choose to sell their Entitlement on ASX. The trading of Entitlements will commence on 12 August 2016 and cease on 22 August 2016. Details of how Eligible Shareholders may trade their Entitlements will be included in the Offer Document.

### **No Adjustments to Option Exercise Price**

Under the terms of your options there will be no adjustment to the exercise price of your options due to the Entitlement Offer.

### **Offer Document**

The Company expects to lodge the Offer Document with ASIC and ASX on 2 August 2016, at which time it will be available on the ASX website at [www.asx.com.au](http://www.asx.com.au) and also on the Company's website at [www.admedus.com](http://www.admedus.com). The Company expects to dispatch the Offer Document to Shareholders of the Company on or about 18 August 2016. The Offer Document will outline the Entitlement Offer in detail.

Should you have any queries in relation to the Entitlement Offer, please do not hesitate to contact the Company on +61 8 9266 0100.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Mann'.

Stephen Mann  
Company Secretary