



26 April 2018

Dear Shareholder

AtCor Medical Holdings Limited (AtCor) – Non-Renounceable Entitlement Offer – Notice to Ineligible Shareholders

On 23 April 2018 Atcor announced a non-renounceable rights issue (**Entitlement Offer**) of 1 fully paid ordinary share in Atcor (**New Share**) for every 5 AtCor shares held by Eligible Shareholders at an issue price of A\$0.02 per New Share. Eligible shareholders are also offered 1 free attaching new option for every 2 new shares subscribed for and issued under the rights issue. The new options are exercisable at \$0.05 and have an expiry date of 30 November 2021. The Record Date for the Rights Issue is Wednesday, 30 April 2018 (**Record Date**).

The Rights Issue is to be implemented under a “transaction specific prospectus” under section 713 of the *Corporations Act 2001* (Cth) (**Corporations Act**). It will raise approximately A\$1,124,094 (before costs) and is fully underwritten by Taylor Collison Limited.

The prospectus for the Rights Issue was lodged with ASIC and the ASX on 23 April 2018 and will be mailed to Eligible Shareholders.

1. You Are Not Entitled to Participate in the Non-Renounceable Entitlement Offer

The Entitlement Offer is only being made to Eligible Shareholders, on the basis of 1 New Share for every 5 AtCor shares held. The Eligible Shareholders will be offered 1 free attaching option for every 2 new shares subscribed for and issued under the Entitlement Offer. The new options are exercisable at \$0.05 and have an expiry on 30 November 2021.

You are not entitled to participate in the Entitlement Offer and subscribe for New Shares as you are an ineligible shareholder.

The ASX Listing Rules require companies making “pro rata issues” to include all shareholders with registered addresses in Australian and New Zealand. Companies are permitted to exclude shareholders in other places where the costs of compliance with local laws are not justified by the number and value of shares that might be taken up. AtCor has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A of the Corporations Act, that it would be unreasonable due to compliance costs to make offers under the Entitlement Offer to AtCor shareholders in the USA, or in other jurisdictions outside Australia and New Zealand.

2. Eligibility Criteria

Only shareholders who meet the following criteria can participate in the Entitlement Offer (**Eligible Shareholders**):

- (a) are registered as a holder of AtCor shares as at 7:00pm (Sydney Time) on the Record Date; and
- (b) have a registered address in either Australia or New Zealand; and
- (c) are otherwise eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

3. Not an Offer to Issue New Shares to You

This notice is to inform you about the Entitlement Offer. It is **not** an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.

You are not required to do anything in response to this letter.

For further information about the Entitlement Offer please contact me on +61 2 8296 0000 at any time from 8.30 am to 5.30 pm (Sydney time) Monday to Friday.

On behalf of the Board and management of AtCor, thank you for your continued support.

Yours faithfully

AtCor Medical Holdings Limited

Jarrold White
Company Secretary

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax adviser, stockbroker or other professional adviser.