

Pro-Rata Non-Renounceable Entitlement Offer (Rights Issue)

Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

Dated 18 January 2024

This notice is given by HeraMED Limited (ASX:HMD) (**HMD** or the **Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**).

As announced on 15 December 2023, HMD proposes conducting a pro-rata non-renounceable entitlement offer of one new ordinary HMD share (**New Share**) for every five ordinary HMD shares (**Shares**) held (1:5) by shareholders with a registered address in Australia or New Zealand at 7:00pm (Sydney time) on 23 January 2024 (being **Eligible Shareholders**) at an issue price of \$0.02 (2 cents) per New Share to raise approximately \$1.28 million before costs (**Offer**).

HMD gives notice under section 708AA(2)(f) of the Act as follows:

- (a) the New Shares under the Offer will be offered for issue without disclosure to investors under Part 6D.2 of the Act;
- (b) this notice is being given under section 708AA(2)(f) of the Act;
- (c) as at the date of this notice, HMD has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act, that is required to be set out in this notice under section 708AA(7) of the Act; and
- (e) the potential effect of the issue of New Shares under the Offer (and any shortfall of New Shares under the Offer) on the control of HMD and the consequences of that effect will depend on a number of factors, including but not limited to the extent Eligible Shareholders take up their entitlements, and/or participate in the shortfall of the Offer. Further details are set out below.

The potential effect of the Offer on the control of HMD (based on the issued share capital of HMD as at the date of this notice) is summarised below:

- (a) Eligible Shareholders who take up their full entitlement to New Shares under the Offer will not be diluted as a result of the issue of New Shares under the Offer and may increase their percentage interest in the Company if the Offer is not fully subscribed (including following the allocation of any New Shares forming the shortfall of the Offer);
- (b) if all Eligible Shareholders take up their entitlements to New Shares under the Offer, the only impact of the Offer on control of the Company will be as a result of the allocation of New Shares forming the entitlements of shareholders who are not Eligible Shareholders, which will in those circumstances form the only shortfall of New Shares under the Offer;
- (c) any Eligible Shareholder not taking up their entitlement under the Offer in full will have their interest in the Company diluted if the Offer is fully subscribed (including after issue of New

Shares from the Shortfall);

- (d) if the Offer is not fully subscribed (including after issue of New Shares from the Shortfall), the interest of an Eligible Shareholder who takes up some, but not all, of their entitlement under the Offer in the Company may decrease, increase or remain the same depending on the quantum of subscriptions that are received by the Company under the Offer;
- (e) Eligible Shareholders who do not take up their entitlement under the offer at all will be diluted;
- (f) any Eligible Shareholder who takes up their full entitlement to New Shares under the Offer and who subscribes for and receive New Shares from the shortfall of the Offer will increase their percentage interest in the issued capital of the Company;
- (g) the proportional interests of shareholders who are not Eligible Shareholders will be diluted because such shareholders are not entitled to participate in the Offer;
- (h) The largest current shareholder of the Company is Citicorp Nominees Pty Ltd which holds 21,580,555 Shares, being approximately 6.72% of the issued capital of the Company. The Company is not aware is Citicorp Nominees Pty Ltd proposes participating in the Offer by subscribing for a certain number of New Shares, if any at all;
- (i) The Company proposes seeking shareholder approval for Dr Ron Weinberger, the Executive Chairman of the Company (and/or his nominee(s)) to subscribe for up to 25,000,000 New Shares (up to a maximum subscription amount of \$500,000) from the Shortfall. Dr Weinberger currently has a relevant interest in 801,000 Shares, being approximately 0.25% of the issued capital of the Company. If shareholders approve the issue of New Shares from the Shortfall, Dr Weinberger takes up his full entitlement under the Offer (being 160,200 New Shares based on a 1:5 entitlement) and all New Shares for which shareholder approval is sought are subscribed for by and issued to Dr Weinberger (and/or his nominee(s)) and no other New Shares are issued under the Offer, Dr Weinberger would have a relevant interest in 25,961,200 Shares which, following the issue, would represent a maximum potential relevant interest of approximately 7.48% of the then issued Shares of HMD. The relevant interest of Dr Weinberger will be reduced by the issue of New Shares under the Offer (including the Shortfall) to any other recipients. The maximum potential relevant interest of Dr Weinberger is provided for illustrative purposes only.
- (j) the allocation process for New Shares under any shortfall of the Offer will be set out in the offer booklet for the Offer. The Company will not allocate New Shares from the shortfall of the Offer if such allocation would contravene the takeover provision of the Act or other applicable law (including the Listing Rules of ASX); and
- (k) on completion of the Offer, no shareholder will hold an interest of 20% or more of the Company.

Other than as noted above, the Offer is not expected to materially affect the control of the Company. The above does not take into account the potential impact on the Share capital structure of the Company as a result of the issue of 20,750,000 Shares under the second tranche of the placement, the issue of which is conditional upon shareholder approval which is to be sought by the Company.

If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

Signed for and on behalf of the Board.

Ron Weinberger

Dr Ron Weinberger
Executive Chairman