

Prospectus

Genera Biosystems Limited ACN 098 663 837
ASX: GBI

This Prospectus relates to the offer of a 4 for 5 non-renounceable rights issue of new fully paid ordinary shares in the Company at a price of \$0.13 per New Share.

IMPORTANT NOTICE

This document is important and should be read in its entirety. It is a prospectus issued pursuant to section 713 of the Corporations Act. It does not, itself, contain all the information that is generally required to be set out in a full prospectus, but refers to other documents, the information of which is deemed to be incorporated into this Prospectus.

If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

Prospectus

Genera Biosystems Limited ACN 098 663 837

Important information	4
1. Key Entitlement Offer dates	9
2. Summary	10
3. Company information	13
3.1 Company overview	13
3.2 Directors and Key Management Personnel	16
3.3 Interests of Directors	17
3.4 Interests of Directors – remuneration	17
3.5 Related party transactions	18
4. Details of the Entitlement Offer and how to apply	19
4.1 Entitlement Offer	19
4.2 Shortfall Offer	19
4.3 Minimum Subscription	19
4.4 Please consider the Entitlement Offer in the light of your particular investment objectives and circumstances	20
4.5 Your Entitlement	20
4.6 Nominees	20
4.7 Options available to you	20
4.8 Payment methods	21
4.9 Confirmation of your application and managing your holding	22
4.10 ASX quotation and trading	22
4.11 CHESS	23
4.12 Mail	23
5. Purpose and effect of the Entitlement Offer	23
5.1 Purpose of the Entitlement Offer	23
5.2 Acceptance of the Entitlement Offer	24
5.3 ASX quotation	24
5.4 Allotment	25
5.5 Timetable	25
6. Effect on Genera	26
6.1 Effect on capital structure	26
6.2 Effect on financial position and debt	27
6.3 Details of substantial holders	27
6.4 Impact on control of Genera	28
6.5 Expenses of the Offer	28
7. Rights and liabilities attaching to Shares	29
7.1 Shares	29
7.2 Eligible Shareholders	30
7.3 Ineligible Shareholders	31
7.4 Additional New Shares	31
7.5 Foreign jurisdictions	31
8. Risk factors	32
8.1 Entitlement Offer specific risks	32
8.2 Company specific risks	32
8.3 General risks	39
9. Additional information	41

9.1	Continuous disclosure obligations	41
9.2	Company announcements	42
9.3	Litigation	42
9.4	Relevant interests, benefits and related party transactions	43
9.5	Interests of experts and advisers	43
9.6	Consents	43
9.7	Restricted securities	44
9.8	Broker handling fees	44
9.9	Taxation	44
9.10	Privacy disclosure statement	44
9.11	Authorisation	44
9.12	Governing Law	44
	Glossary	45
	Corporate directory	47

Important information

This Prospectus relates to the non-renounceable Entitlement Offer of New Shares in Genera Biosystems Limited ACN 098 663 837 in the ratio of 4 for 5 Shares held by Shareholders on the Record Date.

Lodgement and quotation

This Prospectus is dated 31 January 2019 and has been lodged with ASIC. None of ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The Company will apply to ASX for quotation of the New Shares on ASX within 7 days of the date of this Prospectus. This Prospectus expires on 31 February 2020. No New Shares will be issued on the basis of this Prospectus after that date.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act.

This Prospectus does not contain the same level of disclosure as an initial public offering prospectus. In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers whom investors may consult. Investors should therefore have regard to the other information disclosed to ASX in relation to the Company before deciding whether to invest.

Note to Applicants

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective investor. It is important that you read this Prospectus carefully and in full before deciding whether to invest in the Company and consider all of the risks that could affect the performance of Company. In considering the prospects of the Company, you should consider the risks that could affect the financial performance or position of the Company. You should carefully consider these risks in the light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest. Risks which should be considered by prospective investors are set out in **Section 8** of this Prospectus. There may be risk factors in addition to these that should be considered in the light of your personal circumstances.

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the Shares.

Rights to acquire Shares under the Offer are not transferrable. Eligible Shareholders should carefully read and follow the instructions in **Section 4** of this Prospectus and on the back of the accompanying personalised Entitlement and Acceptance Form (as defined below) when making the decision to invest in the Entitlement Offer and apply for New Shares (or Additional New Shares, if applicable).

Obtaining a copy of this Prospectus

Eligible Shareholders (as defined in **Section 4** of this Prospectus) will receive a copy of this Prospectus together with an accompanying personalised Entitlement and Acceptance Form. Eligible Shareholders in Australia and New Zealand can also obtain a copy of this Prospectus (free of charge) during the Entitlement Offer Period from the Company's website at <http://generabiosystems.com/investor-information/> or by calling the Share Registry on 1300 850 505 (from within Australia) or +61 3 9415 5000 (from outside of Australia) from 8.30am to 5.30pm (AEDT), Monday to Friday during the Entitlement Offer Period. Shareholders or other persons in other jurisdictions (including the United States) who are, or are acting for the account or benefit of, a person in the United States, are not entitled to access the electronic version of this Prospectus. Eligible Shareholders who access the electronic version of this Prospectus on the Company's website should ensure they download and read the entire Prospectus. The electronic version of the Prospectus on the Company's website will not include an Application Form.

Statements of past performance

Information about the Company's past performance and pro forma financial information included in this Prospectus is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future financial performance or condition. Investors should note that past performance, including past Share price performance, of the Company cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including future Share price performance. The historical information included in this Prospectus is, or is based on, information that has previously been released to the market.

Investors should also be aware that certain financial data included in this Prospectus may be 'non-IFRS financial information' under Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC and 'non-GAAP financial measures' under Regulation G of the *US Securities Exchange Act of 1934 (US Securities Act)*. The disclosure of such non-GAAP financial measures in the manner included in this Prospectus would not be permissible in a registration statement under the US Securities Act. The Company believes this non-IFRS financial information provides, and these non-GAAP financial measures provide, useful information to users in measuring the financial performance and condition of the Company. The non-IFRS financial information and these non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information or non-GAAP financial measures and ratios (if any) included in this Prospectus.

Financial information and forward looking statements

This Prospectus includes Historical Financial Information and Pro Forma Historical Financial Information.

All dollar values are in Australian dollars (\$ or A\$), rounded to the nearest \$0.01 million, and financial data is presented as at the financial year ended 30 June 2018 unless stated otherwise. The pro forma historical financial information included in this Prospectus does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

This Prospectus contains forward looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. Other forward looking statements included in this Prospectus include statements regarding the outcome and effects of the Entitlement Offer and the Company's future commercial and financial performance. Any forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Accordingly, such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this Prospectus will actually occur and prospective investors are cautioned against placing undue reliance on these forward looking statements. Forward looking statements should be read in conjunction with, and are qualified by reference to, the risks outlined in **Section 8** of this Prospectus.

The Company has no intention to update or revise forward looking statements, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Company website

Any references to documents included on the Company's website at <http://generabiosystems.com/investor-information/> are for convenience only, and none of the documents or other information available on the Company's website are incorporated herein by reference.

Defined terms and time

Capitalised terms and abbreviations used in this Prospectus have the meanings given to them in the Glossary. Unless otherwise stated or implied, references to times in this Prospectus are to AEDT.

Disclaimer

No person is authorised to provide any information or to make any representation in connection with the Entitlement Offer that is not contained in this Prospectus. Any information or representations not contained in this Prospectus may not be relied upon as having been authorised by the Directors or the Company or any of their respective related bodies corporate in connection with the Offer.

Selling restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Offer, the Entitlements, the New Shares or any Additional New Shares, or to otherwise permit a public offering of New Shares or any Additional New Shares, in any jurisdiction outside Australia and New Zealand. The distribution of this Prospectus outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus outside Australia or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

In particular, the New Shares (and Additional New Shares, if any) have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States unless the New Shares and Additional New Shares (if applicable) are registered under the US Securities Act, or offered or sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This Prospectus may not be released or distributed in the United States.

For further detail please see **Section 7.5** of this Prospectus.

Important information for New Zealand investors

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand authority. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

The Entitlements and the New Shares or Additional New Shares (if applicable) are not being offered to any retail investors within New Zealand other than to existing Shareholders (with respect to the Entitlements and the New Shares) with registered addresses in New Zealand pursuant to the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

Privacy

By filling out the personalised Entitlement and Acceptance Form to apply for New Shares (and Additional New Shares, if applicable to you), you are providing personal information to the Company through the Share Registry, which is contracted by the Company to manage applications. The Company, and the Share Registry on its behalf, may collect, hold and use that personal information in order to process your application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration. If you do not provide the information requested in the personalised

Entitlement and Acceptance Form, the Company and the Share Registry may not be able to process or accept your application.

Your personal information may also be provided to the Company's members, agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The members, agents and service providers of the Company may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of members;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Company's issued securities and for associated actions.

The information contained in the Company's register of members must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register of members is also used to facilitate dividend payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its members) and compliance by the Company with legal and regulatory requirements. An Applicant has a right to gain access to the information that the Company and the Share Registry hold about that person, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing or by telephone call to the Company's registered office or the Share Registry's office, details of which are disclosed in the corporate directory set out on the last page of this Prospectus.

Enquiries for the Entitlement Offer

Before making a decision about investing in the Entitlement Offer, you should seek advice from your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser to determine whether it meets your objectives, financial situation and needs.

If you have any questions on how to:

- (a) complete the personalised Entitlement and Acceptance Form accompanying this Prospectus which Eligible Shareholders (as defined in **Section 7.2** of this Prospectus) may use to apply for New Shares;
- (b) take up the New Shares offered to you under the Entitlement Offer (your **Entitlement**), either in full or in part; or
- (c) take up your full Entitlement and apply for Additional New Shares,

please call the Share Registry between 8.30am and 5.30pm (AEDT) Monday to Friday during the Entitlement Offer Period:

Within Australia: 1300 850 505

Outside Australia: +61 3 9415 5000

If you take no action or your application is not supported by cleared funds, your Entitlement will lapse and you will not be issued with New Shares. You should note that if you do not take up all or part of your Entitlement, then your percentage shareholding in Genera will be diluted by your non-participation in the Entitlement Offer. Eligible Shareholders who do not take up their Entitlement in full will not receive any payment or value for that part of their Entitlement they do not take up.

If you have misplaced your Entitlement and Acceptance Form and would like a replacement form, please call the applicable number above. Alternatively, if you have internet access and have the Securityholder Reference Number or Holder Identification Number for your holding(s), you can download a replacement form from the Share Registry's secure website at <https://www-au.computershare.com/Investor/>.

Website

To view annual reports, shareholder and information about Genera, announcements, background information on Genera's operations and historical information, visit the Company's website at <http://www.generabiosystems.com/>.

1. Key Entitlement Offer dates

Event	Date
Announcement of Entitlement Offer and lodgement of Prospectus	Thursday, 31 January 2019
Record Date for the Entitlement Offer	7.00pm (AEDT) on Wednesday, 6 February 2019
Despatch of Prospectus and personalised Entitlement and Acceptance Forms to Eligible Shareholders	Monday, 11 February 2019
Entitlement Offer Opening Date	4.30pm (AEDT) on Monday, 11 February 2019
Entitlement Offer Closing Date	5.00pm (AEDT) on Friday, 1 March 2019
Issue and allotment of New Shares (including Additional New Shares, if any) under the Entitlement Offer	Friday, 8 March 2019
Normal trading of New Shares (including Additional New Shares, if any) issued under the Entitlement Offer expected to commence trading on ASX on a normal settlement basis	Monday, 11 March 2019
Despatch of holding statements in relation to New Shares and Additional New Shares (if any)	Wednesday, 13 March 2019
Last date to issue Shortfall Shares	Friday, 31 May 2019

Dates and times in this Prospectus, other than the date of announcement of the Entitlement Offer, the date of lodgement of the Prospectus and the Record Date, are indicative only and subject to change. All times and dates refer to AEDT. The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms as soon as possible. No cooling-off rights apply to applications submitted under the Entitlement Offer. The commencement of quotation of New Shares and Additional New Shares is subject to confirmation from ASX.

2. Summary

Topic	Summary	For more information								
What is the Entitlement Offer?	<p>This Prospectus relates to the non-renounceable pro rata offer of New Shares and Additional New Shares (if applicable) in the Company to Eligible Shareholders.</p> <p>Under the Entitlement Offer, Eligible Shareholders will be given an Entitlement to subscribe for 4 New Shares for every 5 Shares held as at the Record Date, being 7.00pm (AEDT) on Wednesday, 6 February 2019.</p> <p>Eligible Shareholders can also apply for Additional New Shares in excess of their Entitlement where there is a shortfall under the Entitlement Offer and if and to the extent that the Company so determines, in its absolute discretion.</p>	Section 4.1								
When does the Entitlement Offer open and close?	<p>The Entitlement Offer Opening Date is 4.30pm (AEDT) Monday, 11 February 2019.</p> <p>The Entitlement Offer Closing Date is 5.00 pm (AEDT) Friday, 1 March 2019.</p>	Section 4.7								
Is there a Minimum Subscription amount for the Entitlement Offer?	<p>The Company will only issue New Shares (and Additional New Shares, if any) under this Prospectus if the Minimum Subscription has been received.</p> <p>The Minimum Subscription is a subscription level for an amount:</p> <ul style="list-style-type: none">to raise, subject to the following bullet point, not less than \$4,250,000; orsuch other amount agreed to between the Company and Majority Series B Noteholders provided that Applications are for an amount in cleared funds of not less than:<ul style="list-style-type: none">\$1,000,000; <i>plus</i>an amount equal to the Company's cost of conducting the Entitlement Offer; <i>plus</i>\$275,000 to be applied to reduce the Company's Subordinated Mezzanine Debt facilities payable to certain holders of the Company's Subordinated Mezzanine Debt.	Sections 4.3 and 6.1								
What happens if the Minimum Subscription is not achieved?	<p>If the Minimum Subscription is not obtained within 3 months after the date of this Prospectus, the Company will repay all Application Amounts in full without interest as soon as practicable or issue a supplementary or replacement Prospectus and allow Applicants one month in which to withdraw their Applications and be repaid their Applicant Amount in full without interest.</p>									
How much will the Company raise under the Entitlement Offer?	<p>On Completion of the Entitlement Offer, the Company will raise gross proceeds of the approximate amount as set out below and depending on the overall level of subscription to the Entitlement Offer:</p> <table><tr><th></th><th>37.5% Subscription Level*</th><th>65% Subscription Level</th><th>Maximum Subscription (100%)</th></tr><tr><td>Amount raised</td><td>\$4.29 million</td><td>\$7.44 million</td><td>\$11.45 million</td></tr></table> <p><i>*This subscription level has been inserted in this table purely for illustrative purposes. The Entitlement Offer is subject to a Minimum Subscription condition which is set out in section 4.3.</i></p>		37.5% Subscription Level*	65% Subscription Level	Maximum Subscription (100%)	Amount raised	\$4.29 million	\$7.44 million	\$11.45 million	Sections 4.2, 4.3, 5.1, 6.1 and 6.2
	37.5% Subscription Level*	65% Subscription Level	Maximum Subscription (100%)							
Amount raised	\$4.29 million	\$7.44 million	\$11.45 million							
What will the net proceeds of the Entitlement Offer be used for?	<p>Depending on the overall level of subscription to the Entitlement Offer, the Company intends to use and apply the net proceeds of the Entitlement Offer towards:</p> <ul style="list-style-type: none">repayment of outstanding Series B Debt;	Sections 5.1 and 6								

	<ul style="list-style-type: none"> • repayment of a proportion of outstanding Subordinated Mezzanine Debt; and • cash for working capital purposes. 	
Am I an Eligible Shareholder?	Eligible Shareholders are those holders of Shares who are registered as a holder of Shares as at 7.00pm (AEDT) on the Record Date, being Wednesday, 6 February 2019.	Section 7.2
What is my Entitlement?	Your Entitlement is the right granted to you under the Entitlement Offer to subscribe for 4 New Shares at the Offer Price for every 5 Shares you hold as at the Record Date. If you are an Eligible Shareholder, your Entitlement will be noted on your personalised Entitlement and Acceptance Form.	Section 4.5
What can I do with my Entitlement?	<p>As an Eligible Shareholder, you may do any one of the following:</p> <ul style="list-style-type: none"> • take up all or part of your Entitlement (ie acquire up to 4 New Shares at the Offer Price for every 5 Shares you hold as at the Record Date); • take up all of your Entitlement and apply for Additional New Shares in excess of your Entitlement; or • do nothing, in which case your Entitlement will lapse and you will not be issued New Shares. <p>You should note that if you do not take up all or part of your Entitlement and New Shares are issued under the Entitlement Offer, your percentage shareholding in Genera will be diluted by your non-participation in the Entitlement Offer and you will not receive any payment or value for that part of your Entitlement that you do not take up.</p>	Section 4.7
Can I apply for New Shares in excess of my Entitlement?	<p>Yes. Under the Entitlement Offer, Eligible Shareholders excluding related parties of the Company who take up their Entitlement in full may apply for Additional New Shares in excess of their Entitlement. Additional New Shares have precisely the same terms as New Shares.</p> <p>Additional New Shares will, however, only be allocated to Eligible Shareholders if there is a shortfall under the Entitlement Offer and if and to the extent that the Company so determines (in its absolute discretion). The Company may apply any scale-back to applications for Additional New Shares in its absolute discretion.</p>	Section 4.7
How much will I pay per New Share or Additional New Share?	The Offer Price is \$0.13 per New Share (or Additional New Share, as applicable).	Section 4.1
Can I trade my Entitlement?	Your Entitlement to participate in the Entitlement Offer is non-renounceable and cannot be traded on ASX or any other financial market, nor can it be privately transferred. Eligible Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.	Sections 4.1 and 4.7
What is the Shortfall Offer?	<p>Any New Shares and Additional New Shares not applied for under the Entitlement Offer may be issued by the Directors at their absolute discretion within 3 months of the Entitlement Offer Closing Date.</p> <p>Any Shortfall Shares issued by the Directors will be issued at the Offer Price.</p>	Section 4.2
Can Directors Participate in the Entitlement Offer?	<p>The Company's directors have indicated that they will participate in the Entitlement Offer.</p> <p>Note that the Directors and their associates are prohibited by the Listing Rules from taking up any Additional New Shares.</p>	Section 8
What is the purpose of the Prospectus?	The Shares have been suspended from trading on a prescribed financial market (ASX) in excess of the period provided for under section 708AA(2) of the Corporations Act, and accordingly, the Entitlement Offer may not be made to all Eligible Shareholders without a prospectus.	Section 5.1

	This Prospectus has been prepared to offer the New Shares (and Additional New Shares, if any) in accordance with section 713 of the Corporations Act.	
Risk factors	<p>The key risks in relation to an investment in Genera include but are not limited to:</p> <ul style="list-style-type: none"> • commercialisation risk; • competition and rapid technological change risk; • product liability risk; • funding and financial risk; • intellectual property risk; • key personnel risk; • litigation risk; • regulatory risk; • licensing, third-party collaboration and partnership risk; • reliance on custom Instrumentation Systems to run Genera's tests; • increased development expenditure risk; • manufacturing risk; • international trade risk; and • business interruption risk. <p>There are general risks associated with owning securities in publicly listed companies. The price of securities can go down as well as up due to many factors, some of which are outside the control of Genera. Such risk factors include general economic conditions, natural disasters, fluctuations in the local and global market for listed securities, the Australian interest rate, foreign exchange rate, change in law or a change in the Australian Accounting Standards.</p>	Section 8
How do the Shares which may be issued under this Prospectus rank in comparison to existing Shares?	All Shares issued under this Prospectus will rank equally in all respects with existing Shares from the date of their issue.	Section 7.1
What is the effect of the Offer on Genera?	<p>The effect of the Offer on the capital structure and financial position of Genera is described in Section 6.</p> <p>The Offer is not expected by the Directors to have a material effect on the control of Genera, however this will depend on the level of Entitlements taken up, and Additional New Shares applied for, by Eligible Shareholders and additionally, whether any and the extent to which Shortfall Shares are issued under the Shortfall Offer.</p>	Section 6
Enquiries	Any enquiries concerning the Offer should be directed to Genera on (03) 9763 1287.	

3. Company information

3.1 Company overview

Genera is an Australian molecular diagnostics company which has developed, manufactured and distributed advanced multiplex Polymerase Chain Reaction ('PCR') Molecular Diagnostic ('MDx') tests.

Genera has successfully developed two products to date both of which are CE-mark approved. The Company's lead test, PapType®, is a fourth generation HPV test that can individually specify 14 high-risk HPV infections. Persistent infection with a high-risk HPV genotype causes 99.7% of cervical cancer cases in women globally. On 24 April 2014 the United States Food and Drug Administration approved the first HPV test to be used as a first-line primary cervical cancer screening test to detect high risk HPV for women 25 years and older. HPV testing has recently been adopted in Australia to replace the traditional Pap smear used in cervical cancer screening programs also. Our second test, RTIplex™, is a multiplex test that provides simultaneous detection of 12 viral and 3 bacterial respiratory pathogens. The Company has several additional products in its development pipeline with the goal of developing a test menu of up to approximately 8 to 10 assays over the next few years.

The Company's go-to-market strategy is to generate the bulk of its revenues via sales of MDx tests as consumable items ('Reagents') with the bundled instrumentation running the tests being supplied by well credentialed third party instrumentation vendors. This commercialisation strategy is called a *Reagent Rental model* and will usually involve prospective pathology customers entering into Reagent supply contracts that will contract minimum agreed Reagent purchase volumes over a specified period. Subject to these contracted volumes being greater than a certain threshold, the third-party instrumentation system upon which the tests are run is usually provided to the contracted customer without charge.

The AmpaSand® Multiplexing Advantage

Genera has a competitive advantage in its proprietary single-well high multiplex AmpaSand® silica bead-based testing platform that has the capability to detect up to approximately 125 target analytes (eg. 125 different viruses or pathogens) in a single-well of a 96-well reaction plate. The detection of numerous target analytes in a single reaction is called multiplexing. The greater the number of targets detected within a given test the greater the multiplex is said to be.

In the Board's experience, 96-well reaction plates are the most common format used by high volume pathology laboratories analysing patient samples when undertaking various types of DNA and RNA based diagnostic tests.¹ Generally, most plate based diagnostic assays used for MDx testing are restricted to detecting (up to) only 4 target analytes in a single-well of a reaction plate.

To expand the level of multiplex capability for plate-based assays some in-vitro diagnostic ('IVD') MDx vendors have developed separate panels of low multiplex tests that may be run concurrently to test a single patient specimen. This approach involves technologist operators to aliquot the given patient specimen over 3 to 4 separate wells of a reaction plate in order to test for between 12 and 16 separate pathogens in a single operator run. The requirement to use multiple wells of a reaction plate to test for a certain number of targets (i.e. 15 target analytes) lowers capacity throughput volume for pathology operators versus what can be achieved with a high multiplex platform such as AmpaSand®.

¹ Since the 2000s many different multiplex molecular testing platforms have been successfully commercialised, mainly using microfluidic cartridge-based consumables that provide high multiplex and minimal technologist manual handling. One of the weaknesses with cartridge-based molecular assays is that they generally do not offer the test volume throughput capacity when a pathology laboratory is undertaking less than 3 runs per working day. Cartridge-based molecular assays have been very successful in local hospital pathology laboratories due to their ability to deliver very quick Turn-Around-Times ('TAT') for test results when undertaking only a relatively small number of tests during a working day.

AmpaSand® use of Polymerase Chain Reaction

Prior to DNA or RNA being able to be detected from a standard clinical specimen it must be amplified many millions of times. This amplification process is called Polymerase Chain Reaction ('PCR').

Most conventional DNA and RNA testing is performed using an approach called 'Real-Time' PCR. Real-Time PCR involves amplification of DNA or RNA, that is detected in real time as the PCR rapid heating and cooling cycles are undertaken. Real-Time PCR is a proprietary technology of Roche Molecular Systems and is covered via the TaqMan® method. Companies using this TaqMan® method in their clinical diagnostic tests are required to pay negotiated end-product royalties to Roche. The vast majority of all molecular diagnostic tests commercially available utilise the Real-Time PCR approach whether or not the tests are plate-based or microfluidic cartridge-based tests.

Unlike most MDx testing platforms, Genera's AmpaSand® testing platform has been developed using 'End-Point' PCR, previously a proprietary patented approach again owned by Roche. The core patents protecting this technology expired in the second half of the 2000s. Given the patent expiration, royalties are no longer payable to Roche by any diagnostic company commercialising molecular tests using End-Point PCR.

While using End-Point PCR based tests may involve a lower 'royalty stack' which may make an AmpaSand® test more attractive economically, particularly when taking into account our high multiplex volume throughput capability, challenges also exist with this approach.

As AmpaSand® tests utilize End-Point PCR, AmpaSand® tests are not 'quantitative' diagnostic tests (eg. how much of a virus/pathogen is present) which is a requirement for some testing fields such as HIV viral load testing. Genera has sought and seeks to develop 'qualitative' tests, that is, 'Yes' or 'No' resulting tests for whether the virus/pathogen is present in a given clinical specimen. Genera believes that the addressable market opportunity by value for qualitative testing such as testing for HPV, STI's, respiratory and other viruses and pathogens represents a substantial commercial opportunity.

Participants within the MDx testing market usually focus their respective product offerings on either the lower volume hospital pathology market or otherwise high-volume centralised laboratories. Some testing platforms may appeal to both market segments.

Required instrumentation to run AmpaSand® tests

In developing its platform, Genera has used an instrument called a 'flow cytometer' to read/analyse the post-PCR product. AmpaSand® beads are nanoscale in size and are bound to amplified DNA or RNA PCR product which is then 'read' or 'analysed' using a flow cytometer. A flow cytometer uses lasers to detect/read individual AmpaSand® beads upon which specific viruses or pathogens from a clinical specimen may have been bound in a reaction.

In the Board's experience, although flow cytometry has traditionally been widely used in haematology testing within clinical laboratories, the Board believes that it has yet to be widely adopted as an analyser for molecular diagnostic testing. The lack of integrated instrument availability to date and pathology customer experience with a flow cytometer that has been seamlessly integrated within a robotic liquid handler has been a key challenge for Genera. Despite this, the ability for a standard 2-colour flow cytometer to accurately read approximately 125 different types of proprietary AmpaSand® beads that have bound to different virus targets provides Genera with a key point of difference within high multiplex MDx testing.

Most commercially available Real-Time PCR plate based diagnostic assays have only 4 channels and are consequently restricted to 4-plex viral target testing per well in a 96-well plate. While Genera's AmpaSand® testing platform can technically detect up to approximately 125 target analytes in a single-well of a reaction plate, Genera views its sweet spot level of 'plex' (being the number of targets detected in a single-well within a given diagnostic assay) at between 8 and 30 individual targets per well. This range positions AmpaSand® tests with a relative volume throughput advantage of approximately 2X to 8X when compared to other traditional high-volume multiplex testing approaches.

Unlike with traditional Real-Time PCR approaches, Genera's AmpaSand® single-well multiplex tests, applying End-Point PCR and run with an integrated flow cytometer and liquid handling

system may provide high throughput capability and cost efficiency for high volume pathology laboratories qualitative molecular testing needs.

In May 2018 Genera entered into a non-exclusive Distribution Agreement with Beckman Coulter Life Sciences ('Beckman Coulter'), a leading global IVD company, which has developed an integrated instrumentation system that Genera believes is well suited to Genera's requirements to efficiently run our AmpaSand® tests. The bulk of the integrated system is provided by Beckman Coulter with a sub-component centrifuge being supplied and supported by a separate global vendor. Componentry from both vendors have been integrated to operate seamlessly from a technologist operator perspective. Genera believes that access to this high throughput user friendly instrumentation system with in-market customer support by the vendors' global networks is a critical milestone that may best position the successful rollout and monetisation of our AmpaSand® testing platform.

In conjunction with AmpaSand® Genera has also developed a proprietary analytical software platform called QPlots that enables the automated analysis and reporting of results for pathology companies running Genera's diagnostic tests. The QPlots software can be integrated with most laboratory information management systems that may facilitate a user-friendly automated workflow for the reporting of test results to clinicians and their patients.

Go-to-market strategy

Genera intends to undertake initial pathology customer placements in Australia commencing early Q2 CY2019. The initial test to be offered on the new instrumentation system will be PapType®, which will be initially marketed as a 'reflex' HPV genotyping test and, subject to completion of a 'Meijer compliant' validation running PapType® on the new instrumentation system, subsequently as a screening test as well.

Genera intends to position PapType® in the market in a manner that allows it to participate in multiple revenue opportunities at both screening and expanded HPV genotyping reflex testing levels. Our proposed 'flex-pricing' model to pathology customers may provide multiple high margin revenue streams to pathology laboratories as well as meaningful additional clinical information to physicians and their patients. Should a physician be open to ordering an expanded reflex HPV genotyping test after a woman has presented positive for an oncogenic HPV infection the likely available revenue to a pathology laboratory is materially greater for the reflex test than the initial Medicare funded HPV screening test.

Genera's market research suggests that it may be optimal to offer pathology customers our STI-plex test alongside the PapType® test. Our STI-plex test is an 8-plex multiplex assay for common sexually transmitted infections that enables the detection and discrimination of five pathogens. The assay has an in-built confirmatory assay for *Neisseria gonorrhoeae*, and is able to identify antibiotic (macrolide) resistant *Mycoplasma genitalium* species. Genera believes that indicative timing for a Research Use Only ('RUO') market release of STI-plex is early Q3 CY2019. Genera will also offer prospective pathology customers its Respiratory panel test as an adjunct to the core sexual health offering.

Subject and subsequent to Genera's initial test menu receiving commercially viable market acceptance within the Australian and New Zealand markets, the Company's medium term objective is to expand the Company's jurisdictional market coverage to India, Brazil, selected European markets and China. Genera intends to pursue the US and Canadian market opportunities separately via a jurisdictional specific alliance with a well credentialed partner.

Genera manufactures its products in its Australian Therapeutics Goods Administration certified manufacturing facility in Scoresby, Victoria and received an A1 classification under its previous audit by the Australian Therapeutic Goods Administration.

Companion Diagnostic testing

As Genera has the capability to multiplex 30 or more targets in a single-well of a reaction plate, the Board believes that the Company's proprietary AmpaSand® test platform can be applied for the development of high value companion diagnostics for the delivery of precision medicine.

Genera undertook an internal strategic review during 2018 to identify other opportunities for its multiplex AmpaSand® testing platform, which was driven by the Company's scientific development team. As a consequence of this review, Genera has identified attractive opportunities in the field of Companion Diagnostic testing ('CDx') for biomarker discovery and

profiling relevant to the drug development process and delivery of numerous precision medicine therapies.

Executive Leadership Team appointments

The Company's ability to pursue and execute the strategies and market opportunities outlined above were enhanced and supported by the Company's addition of Mr Seong Chen and Dr Damian Pethica to its Executive Leadership Team as announced to the ASX on 31 August 2018. Biographies of both Mr Seong Chen and Dr Damian Pethica are included in Genera's ASX announcement of 31 August 2018.

Both have extensive experience in areas relevant to Genera's commercialisation strategy, specifically in HPV, drug development and precision medicine and further, both have a deep understanding of the HPV market which is highly relevant to our lead test, PapType®. They will provide invaluable support to our CEO, Richard Hannebery, in helping drive additional high value partnering deals. Additionally, their experience and relationships may assist in our push into the CDx testing space.

3.2 Directors and Key Management Personnel

Louis Panaccio (B. Ec., CA), non-executive chairman

Mr Panaccio has over 30 years management experience in business and healthcare services. He is currently a Non-Executive Director of ASX-listed Sonic Healthcare Limited (ASX: SHL) (appointed June 2005) and a Non-Executive Director of Unison Housing Limited. He was also the Chief Executive Officer and an Executive Director of Melbourne Pathology for 10 years to 2001. Since July 2014 he has been the Chairman of ASX-listed Avita Medical Limited (ASX: AVH) and also currently serves as a Non-Executive Director of ASX-listed Rhythm Biosciences Limited (ASX: RHY).

Date of Appointment: 25 November 2010

Richard Hannebery (BA/Econ., Grad Dip Econ), CEO and executive director

Mr Hannebery has over 20 years' experience in commercial and financial advisory services specialising in hands-on management for early stage and emerging growth companies and has previously held executive roles with Merrill Lynch, Credit Suisse and JT Campbell & Co. Richard currently works in an advisory capacity with Lodge Partners, a boutique firm specialising in healthcare and technology. He has more than 15 years' experience as a specialist in healthcare technology and intellectual property based businesses operating in regulated markets. Richard's areas of focus include financing, strategy development and its implementation as well as commercialisation. Richard was previously a board member of Genera from 2005 to 2008 and currently serves as a director of Australian Continence Solutions Pty Limited and its operating Company Nuturecare (Aust) Pty Limited whilst also serving as a Director of Micro-X Limited (ASX: MX1), WaterWerx Holdings Limited and Gravitas Technologies Pty Limited.

Date of Appointment: 13 May 2013

Karl Poetter (BA, PhD), executive director

Dr Poetter is the Chief Scientific Officer of Genera Biosystems and formerly, Senior Research Scientist with the joint Australian Genome Research Facility/Walter and Eliza Hall Institute for Medical Research programme for new technology development in genomic science. Scientific Advisory Board member for MycroLab Pty Ltd, the CRC for Diagnostics and member of the Executive Committee of the Victorian Infection & Immunity Network. Author or joint author of ten patents and fourteen peer-reviewed publications.

Date of Appointment: 25 September 2007

James Kalokerinos (B.SC., E. Econ., FAICD), non-executive director

Mr Kalokerinos has more than 35 years' experience in sales and marketing and business development. He has worked with chemical, laboratory distribution, in-vitro diagnostics and medical devices companies and has held senior management and board positions in Australia and internationally. Jim was a co-founder of three successful companies – Techlab Enterprises, Pacific Diagnostics (sold to Baxter International, a Fortune 500 company), and Panbio Ltd (ASX: PBO, sold to NYSE listed Inverness Medical now Alere). He also has over 30 years' experience as a Company Director presently serving on five Boards and has held positions with technology companies in early stage, and during commercialisation and growth.

Date of Appointment: 25 November 2010

Proposed Board Renewal

The Company intends to undertake a process of Board renewal in the 3 months after the date of this Prospectus, which will see the retirement of all Directors other than Richard Hannebery and the appointment of an equal number of new Directors. A number of potential Directors have been identified but no particular individual are proposed as Directors as at the date of this Prospectus.

3.3 Interests of Directors

The Directors' direct and indirect interests in the securities of Genera as at the date of this Prospectus are set out in the table below.

Director	Number of Shares held	Number of outstanding unexercised Options held	Performance Rights
Louis Panaccio	920,283	1,950,972	-
Richard Hannebery	14,754,519 ²	2,574,371	1,000,000
Karl Poetter	2,011,914	-	-
James Kalokerinos	849,088	975,486	-

Further to the Company's FY2018 Annual Financial Report released to ASX on 16 November 2018, the Company notes that Mr Richard Hannebery, Executive Director and CEO, has provided the Company with \$269,940 in Subordinated Mezzanine Debt to support the Company's working capital purposes and undertaken to support the Company's debts as and when they fall due. This amount of Subordinated Mezzanine Debt was converted into equity on 14 January 2019 following receipt of shareholder approval at the Company's 2018 Annual General Meeting. The balance of Subordinated Mezzanine Debt held by Mr Richard Hannebery that is repayable by the Company is \$145,000 unless otherwise approved by Shareholders to convert into equity.

Except as disclosed in this Prospectus, no Director or proposed Director has, or has had within two years of lodgement of this Prospectus, any interest in:

- (a) the formation or promotion of Genera;
- (b) any property acquired or proposed to be acquired by Genera in connection with its formation or promotion or the Offer; or
- (c) the Offer.

3.4 Interests of Directors – remuneration

The total maximum annual remuneration of non-executive Directors is set by resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made in such proportion and manner as the Board agrees or in default of agreement, equally. The current amount has been set at an amount not to exceed A\$0.4 million per annum.

² 4,358,354 Shares are held by Richard Hannebery pursuant to the terms of a put/call option deed and a call option deed between Richard Hannebery and 2 other shareholders.

A Director may be paid remuneration as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

Except as disclosed in this Prospectus, no person has paid or agreed to pay any amount to any Director or has given or agreed to give any benefit to any Director, to induce the Director to become, or to qualify as, a Director of Genera or otherwise for services rendered by the Director in connection with the formation or promotion of Genera or the Offer.

3.5 Related party transactions

There are no related party transactions entered into as part of, or in relation to, the Entitlement Offer that have not otherwise been disclosed in this Prospectus.

4. Details of the Entitlement Offer and how to apply

Except as expressly stated otherwise, this section describes the Entitlement Offer and how Eligible Shareholders take up their Entitlements under it. References to 'you' in this Section 4 are references to Eligible Shareholders.

4.1 Entitlement Offer

The Entitlement Offer is a non-renounceable pro rata entitlement issue for Eligible Shareholders (as defined in **Section 7.2** of this Prospectus) to subscribe for 4 New Shares for every 5 existing Shares held at 7.00pm (AEDT) on Wednesday, 6 February 2019, at the Offer Price of \$0.13 per New Share.

You should note that not all Shareholders will be eligible to participate in the offer of New Shares. Please read **Section 7.3** of this Prospectus for further details.

Eligible Shareholders who have subscribed for their full Entitlement and who are not related parties of the Company (including Directors) may also apply for Additional New Shares in excess of their Entitlement. The allocation of any Additional New Shares will be limited to the extent that there are sufficient New Shares available from Eligible Shareholders who do not take up their full Entitlement. Additional New Shares will only be allocated to Eligible Shareholders if available and to the extent that the Company so determines, in its absolute discretion. The Company may apply any scale-back to applications for Additional New Shares in its absolute discretion.

No Additional New Shares will be issued to a Shareholder which will result in them increasing their voting power in the Company above 20% or by equal to or more than 3% as a result of the Offer.

For further information in respect of applying for Additional New Shares, see **Section 4.7** of this Prospectus.

New Shares (and Additional New Shares, if any) issued pursuant to the Entitlement Offer will be fully paid and rank equally with existing Shares on issue.

4.2 Shortfall Offer

The Directors reserve the right at their absolute discretion subject to the Corporations Act and ASX Listing Rules to issue some or all of the New Shares and Additional New Shares not applied for under the Entitlement Offer (**Shortfall Shares**) within 3 months after the Entitlement Offer Closing Date (**Shortfall Offer**) to a person or persons of their election.

If the Maximum Subscription is achieved, there will be no Shortfall Offer and accordingly, no Shortfall Shares will be issued.

4.3 Minimum Subscription

The Entitlement Offer is subject to a minimum subscription as follows:

- (a) subject to paragraph (b), valid Applications subscribing for an amount to raise not less than \$4,250,000 (**Minimum Subscription Condition Precedent**); or
- (b) if the Minimum Subscription Condition Precedent is not satisfied on or before the Entitlement Offer Closing Date, valid Applications subscribing for an aggregate of such other number of New Shares and Additional New Shares agreed with Majority Series B Noteholders provided that the Applications in cleared funds:
 - (i) amounts to no less than \$1,000,000; *plus*
 - (ii) an amount equal to the Company's cost of conducting the Entitlement Offer; *plus*
 - (iii) \$275,000 to be applied to reduce the Company's Subordinated Mezzanine Debt facilities payable to certain Subordinated Mezzanine Debt holders at the date of the Prospectus,

(**Minimum Subscription**).

Where paragraph (b) applies, that constitutes the Minimum Subscription.

4.4 Please consider the Entitlement Offer in the light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser if you have any queries or are uncertain about any aspects of the Entitlement Offer. You should also refer to the risks associated with an investment in the Company, the New Shares and the Additional Shares which are set out in **Section 8** of this Prospectus.

An investment in New Shares and Additional New Shares (if applicable) is subject to investment and other known and unknown risks, some of which are beyond the control of the Company, including possible loss of income and principal invested. Genera does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from Genera or any particular tax treatment.

4.5 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 4 New Shares for every 5 existing Shares you held as at the Record Date rounded up to the nearest whole New Share. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

New Shares issued pursuant to the Entitlement Offer will be fully paid and rank equally with existing Shares, including in respect of entitlement to dividends.

If you decide to take up all or part of your Entitlement, or apply for Additional New Shares, please refer to the personalised Entitlement and Acceptance Form and apply for New Shares (and Additional New Shares, if applicable to you) pursuant to the instructions set out on the personalised Entitlement and Acceptance Form.

If you take no action or your application is not supported by any cleared funds, your Entitlement will lapse and you will not be issued with New Shares and your Entitlement will become available to other Eligible Shareholders as Additional New Shares. If those Additional New Shares are not applied they will become Shortfall Shares. You should note that if you do not take up all or part of your Entitlement, then your percentage shareholding in Genera will be diluted as a result of your non-participation in the Entitlement Offer. If you do not take up your Entitlement in full you will not receive any payment or value for that part of your Entitlement that you do not take up.

- **Note:** the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (see the definition of Eligible Shareholder in **Section 7.2** of this Prospectus) or you sold Shares on ASX before 7.00pm on Wednesday, 6 February 2019 but your broker did not settle that sale until after Wednesday, 6 February 2019.

4.6 Nominees

The Entitlement Offer is only being made to Eligible Shareholders. Genera is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares (eg. for the purposes of determining whether any such persons may participate in the Entitlement Offer). Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

4.7 Options available to you

If you are an Eligible Shareholder, you may do any one of the following:

- take up all or part of your Entitlement (see **Section 4.7(a)** below);
- take up all of your Entitlement and also apply for Additional New Shares in excess of your Entitlement (see **Section 4.7(a)** below);
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements (see **Section 4.7(b)** below).

Entitlements cannot be traded on ASX or another financial market, or privately transferred.

(a) If you decide to take up all or part of your Entitlement or take up all of your Entitlement and apply for Additional New Shares

If you decide to take up all or part of your Entitlement, or take up all of your Entitlement and also apply for Additional New Shares in excess of your Entitlement, please:

- pay your Application Monies via BPAY®; or
- complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies, by following the instructions set out on the personalised Entitlement and Acceptance Form.

Genera will treat you as applying for as many New Shares as your payment will pay for in full up to your full Entitlement. Amounts received by the Company in excess of your full Entitlement (**Excess Amount**) will be treated as an application for as many Additional New Shares as your Excess Amount will pay for in full, subject to any priority allocation which the Company determines to give to Eligible Shareholders who apply for Additional New Shares as well as any scale-back that the Company may determine to implement in its absolute discretion in respect of Additional New Shares (see **Section 7.4** of this Prospectus for further information).

If you take up and pay for all or part of your Entitlement before the close of the Entitlement Offer, you will be issued your New Shares on Friday, 8 March 2019. If you apply for Additional New Shares in excess of your Entitlement, subject to Additional New Shares being available and the Company's allocation policy and the Board's discretion to scale-back your allocation of Additional New Shares, you will also be issued with these Additional New Shares on Friday, 8 March 2019. The Company's decision on the number of Additional New Shares to be allocated to you will be final.

Other than to the extent that Additional New Shares are issued to you, any surplus Application Monies received for more than your Entitlement will be refunded after the close of the Entitlement Offer on or around 5.00pm (AEDT) on Friday, 1 March 2019 (except for where the amount is less than \$0.13, in which case it will be donated to a charity chosen by Genera). Refunds will be made by sending a cheque to you by regular post to the address recorded for you on Genera's share register. No interest will be paid to Eligible Shareholders on any Application Monies received or refunded (wholly or partially).

Genera also reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders if their claims prove to be incorrect or overstated or if they fail to provide information to substantiate their claims.

To participate in the Entitlement Offer, your payment must be received no later than the Entitlement Offer Closing Date, being 5.00pm (AEDT) on Friday, 1 March 2019. Eligible Shareholders who wish to pay via cheque, bank draft or money order will need to also ensure that their completed personalised Entitlement and Acceptance Form is also received by that time using the reply paid envelope provided with this Prospectus or otherwise.

(b) If you do nothing

If you take no action, you will not be issued New Shares and your Entitlement will lapse. Your Entitlement to participate in the Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred. Eligible Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

4.8 Payment methods

(a) Payment by BPAY®

For payment by BPAY®, please follow the instructions on the accompanying personalised Entitlement and Acceptance Form (which includes the biller code and your unique Customer Reference Number (**CRN**)). You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form; and

- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Monies.

When completing your BPAY payment, please make sure to use the specific biller code and unique CRN provided on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form (ie where you have multiple holdings), please only use the CRN specific to the Entitlement on that form. If you inadvertently use the same CRN for more than one of your Entitlements when paying by BPAY®, you will be deemed to have taken up your Entitlement and applied for New Shares over and above your Entitlement on that holding to which that CRN applies and your applications in respect of your other CRNs will be deemed to have lapsed.

Should you choose to pay by BPAY® it is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (AEDT) on Friday, 1 March 2019. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. Genera takes no responsibility for any failure to receive Application Monies or payment by BPAY® before the Entitlement Offer closes arising as a result of, among other things, delays in postage or processing of payments by financial institutions.

(b) *Payment by cheque, bank draft or money order*

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to 'Genera Entitlement Offer' and crossed 'Not Negotiable'.

Your cheque, bank draft or money order must be:

- for an amount equal to \$0.13 multiplied by the number of New Shares and Additional New Shares that you are applying for; and
- in Australian dollars drawn on an Australian financial institution or an Australian branch of a financial institution.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies on the day of receipt. If the amount of your cheque, bank draft or money order for Application Monies is insufficient to pay for the number of New Shares (and Additional New Shares, if applicable) you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares (and Additional New Shares, if applicable) as your cleared Application Monies will pay for and to have specified that number of shares on your personalised Entitlement and Acceptance Form.

Should you choose to pay by cheque, bank draft or money order, it is your responsibility to ensure that your payment is received by the Share Registry by no later than 5.00pm (AEDT) on Friday, 1 March 2019. Cash payments will not be accepted. Receipts for payment will not be issued.

4.9 Confirmation of your application and managing your holding

You may access information on your holding, including your Record Date balance and the issue of New Shares or Additional New Shares from this Entitlement Offer, and manage the standing instructions the Share Registry records on your holding on the Investor Services website (www.computershare.com/au). To access the Investor Services you will need your Security Reference Number (**SRN**) or Holder Identification Number (**HIN**) as shown on your Issuer Sponsored/CHESS statements and you will need to pass the security challenge on the site.

4.10 ASX quotation and trading

The Company will apply for quotation of the New Shares (and Additional New Shares, if any) on ASX within 7 days of the date of this Prospectus. While the Company is not aware of any reason why quotation would be denied, there is no assurance that the application will be granted. If

quotation is not granted, New Shares and Additional New Shares (if any) under the Entitlement Offer will not be issued and Application Monies will be refunded to applicants without interest.

The fact that ASX may grant quotation of the New Shares (and Additional New Shares, if applicable) is not to be taken in any way as an indication of the merits of the Company, the New Shares or any Additional New Shares issued under the Offer.

It is expected that the quotation and trading of New Shares (and Additional New Shares, if applicable) issued under the Entitlement Offer will commence on or about Monday, 11 March 2019 (on a normal settlement basis).

Confirmation of issue is expected to be sent in accordance with the ASX Listing Rules. It is the responsibility of each Applicant to confirm their holding before trading in New Shares (and Additional New Shares, if applicable to you). Any Applicant who sells New Shares (and, if applicable, Additional New Shares) before receiving their confirmation of issue will do so at their own risk. The Company and the Share Registry disclaim all liability in tort (including negligence), statute or otherwise, to any person who trades in New Shares (and, if applicable, Additional New Shares) before receiving their confirmation of issue, whether on the basis of a confirmation of issue provided by the Company or the Share Registry, or otherwise.

4.11 CHES

The New Shares (and Additional New Shares, if any) will participate from the date of commencement of quotation in the Clearing House Electronic Sub-register System (**CHES**), operated by ASX Settlement Pty Limited. These securities must be held in uncertificated form (ie no certificate will be issued) on the CHES sub-register under sponsorship of a sponsoring participant (usually a broker) or on the issuer-sponsored sub-register. Arrangements can be made at any subsequent time following quotation to convert your holdings from the issuer-sponsored subregister to the CHES sub-register under sponsorship of a sponsoring participant or vice versa, by contacting your sponsoring participant.

4.12 Mail

To participate in the Entitlement Offer, your payment must be received no later than the close of the Entitlement Offer, being 5.00pm (AEDT) on Friday, 1 March 2019. If you make payment via cheque, bank draft or money order, you should mail your completed personalised Entitlement and Acceptance Form together with Application Monies to:

Genera Biosystems Limited
C/- Small Technologies Cluster
1 Dalmore Drive
Scoresby VIC 3179
Australia

A reply paid envelope is supplied.

Entitlement and Acceptance Forms and Application Monies will only be accepted at the above address and will not otherwise be accepted at any other address of the Company, including any other Company office or other offices of the Share Registry.

5. Purpose and effect of the Entitlement Offer

5.1 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is for the Company to raise up to approximately \$11,446,400 (assuming the Entitlement Offer is fully subscribed).

Depending on the overall level of subscription under the Offer, the Company intends to use the funds raised from the Entitlement Offer as follows:

Uses of funds	37.5% Subscription Level A\$	65% Subscription Level A\$	Maximum Subscription A\$
Reducing indebtedness (via the repayment of the Series B Debt and Subordinated Mezzanine Debt)	\$3.14 million	\$6.29 million	\$10.30 million
Cash for general working capital purposes	\$1 million	\$1.53 million	\$2.11 million
Costs of the Entitlement Offer	\$0.15 million	\$0.15 million	\$0.15 million
Total uses	\$4.25 million	\$7.44 million	\$11.45 million

Figure 5.1.1

Any discrepancies between totals and sums of components in Figure 5.1.1 are due to rounding.

As per Figure 5.1.1, the Company intends to raise up to \$9.18 million for the particular purpose of reducing, in part or in full (depending on whether the Entitlement Offer is fully subscribed), the Company's Series B Debt and up to \$275,000 of the Company's Subordinated Mezzanine Debt in order to strengthen Genera's financial position and support the commercial roll-out of Genera's valuable AmpaSand® test menu running on the new instrumentation system. The Directors may also at their absolute discretion issue any Shortfall Shares (if applicable) to pursue the Company's strategic commercialisation plan, including to effect a merger, takeover, partnership or other like commercial transaction. For further information in relation to the terms of the Shortfall Offer, see Section 4.2.

The above table is a statement of the Board's current intentions as at the Prospectus Date. Shareholders should note that the intentions of the Board are subject to change and depend on a number of factors, including the prevailing operational and financial activities and performance of the Company and the market in which it operates.

For further information in relation to the effect of the Entitlement Offer on the Company, see Section 6.

Genera is currently unable to rely on section 708AA(2) of the Corporations Act, by issuing a 'cleansing notice' which complies with section 708AA(7) of the Corporations Act, to enable the relevant Shares (including Shares issued upon exercise of any Options) to be offered to Eligible Shareholders without a prospectus. This is on the basis that trading in the Shares on the ASX was, and is likely to remain, suspended for more than a total of 5 days during the period of 12 months before the day on which the New Shares (and any Additional New Shares, if any) are to be issued under this Prospectus.

5.2 Acceptance of the Entitlement Offer

Eligible Shareholders can accept their Entitlement or apply for Additional New Shares by making an Application for Shares under the Entitlement Offer by using the application form included in or accompanying this Prospectus. The Directors reserve the right to issue any Additional New Shares at their absolute discretion.

A duly completed application form may be provided by:

Post or delivery to:	The Company Secretary Genera Biosystems Limited 1 Dalmore Drive Scoresby VIC 3179
Fax to:	+61 3 9763 2817

5.3 ASX quotation

Genera will apply to ASX within 7 days after the date of this Prospectus for the Official Quotation of Shares issued under this Prospectus.

The fact that ASX may subsequently grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of Genera or the Shares offered under this Prospectus.

5.4 Allotment

The Directors reserve the right to issue the Shares offered pursuant to this Prospectus any time until the Prospectus Expiry Date.

5.5 Timetable

Lodgement of the Prospectus with ASIC	Thursday, 31 January 2019
Entitlement Offer Opening Date	4.30pm (AEDT) on Monday, 11 February 2019
Entitlement Offer Closing Date (unless extended)	5.00pm (AEDT) on Friday, 1 March 2019

The dates above and other dates referred to in this Prospectus (except the date of the Prospectus) are indicative only. Subject to the ASX Listing Rules and the Corporations Act, Genera may amend the timetable in its absolute discretion.

6. Effect on Genera

6.1 Effect on capital structure

An issue of the Shares under this Prospectus will have an effect on the capital structure and the financial position of Genera. The effect of the Offer on the capital structure of Genera is set out below.

The table below assumes that prior to the Entitlement Offer Closing Date, no Shares will be issued by Genera other than those offered under this Prospectus or those approved for issue at the Company's 2018 Annual General Meeting. Unless otherwise specified in this Prospectus, the table below assumes that none of the current Options on issue will be exercised before the Entitlement Offer Closing Date.

Effect on capital structure of the Entitlement Offer

Capital structure	Securities on issue on Completion of the Entitlement Offer		
	37.5% Subscription Level	65% Subscription Level	Maximum Subscription
Shares on issue at the Prospectus Date	110,061,816	110,061,816	110,061,816
Total number of Shares to be issued under the Entitlement Offer	33,018,545	57,232,144	88,049,453
Total number of Shares to be issued including any Shares to be issued on conversion of Subordinated Mezzanine Debt ³	49,653,737	73,867,336	104,684,645
Total number of Shares on issue after issue of Shares under this Prospectus	159,715,553	183,929,152	214,746,461
Total number of unquoted Options on issue	17,588,759	17,588,759	17,588,759

³ The conversion of the Company's Subordinated Mezzanine Debt into New Shares (less an amount of \$275,000 to be repaid to Subordinated Mezzanine Debt holders in cash) at the Offer Price was approved at the Company's 2018 Annual General Meeting. The total number of Shares issued to holders of Subordinated Mezzanine Debt will vary based on the overall level of subscription to the Entitlement Offer and the amount of funds raised. See Section 6.2 for further information.

6.2 Effect on financial position and debt

As at 30 June 2018				37.5% Subscription		65% Subscription		100% Subscription	
	Audited \$'000	Adjustments to Completion Date	Projected at Completion Date	Adjustments \$'000	Pro forma \$'000	Adjustments \$'000	Pro forma \$'000	Adjustments \$'000	Pro forma \$'000
Cash	78.0	-	78.0	1,000.0	1,078.0	1,528.8	1,606.8	2,114.0	2,192.0
Other Current Assets	644.9	-	644.9	-	644.9	-	644.9	-	644.9
Total Non-Current Assets	2,994.0	-	2,994.0	-	2,994.0	-	2,994.0	-	2,994.0
TOTAL ASSETS	3,716.9	-	3,716.9	1,000.0	4,716.9	1,528.8	5,245.7	2,114.0	5,830.9
Series B Note Liability	6,856.4	1,968.3	8,907.4	(8,907.4)	-	(8,907.4)	-	(8,907.4)	-
Subordinated Mezzanine Debt	2,024.4	538.5	2,562.9	(2,500.0)	62.9	(2,500.0)	62.9	(2,500.0)	62.9
Other Current Liabilities	1,142.3	-	1,142.3	-	1,142.3	-	1,142.3	-	1,142.3
Non-Current Series C Note Liability	-	-	-	5,765.0	5,765.0	3,421.0	3,421.0	-	-
Other Non-Current Liabilities	5.2	-	5.2	-	5.2	-	5.2	-	5.2
TOTAL LIABILITIES	10,028.2	2,506.7	12,617.7	(5,642.4)	6,975.3	(7,986.4)	4,631.3	(11,407.4)	1,210.3
Net (liabilities)/assets	(6,311.3)	(2,506.7)	(8,900.8)	6,642.4	(2,258.4)	9,515.2	614.4	13,521.4	4,620.6
Share Structure of Entitlements Issue only				37.5% Subscription		65% Subscription		100% Subscription	
		Pre-Entitlements		Adjustments	Pro forma	Adjustments	Pro forma	Adjustments	Pro forma
Ordinary Shares on Issue		110,061,816		33,018,545		57,232,144		88,049,453	
Issue Price under the Offer				\$ 0.13		\$ 0.13		\$ 0.13	
Implied Market Capitalisation post Offer				\$ 18,600,447		\$ 21,748,215		\$ 25,754,465	
Share Structure of Entitlements Issue and Mezzanine equity swap				37.5% Subscription		65% Subscription		100% Subscription	
		Pre-Entitlements		Adjustments (incl Mezz debt swap)	Pro forma	Adjustments (incl Mezz debt swap)	Pro forma	Adjustments (incl Mezz debt swap)	Pro forma
Ordinary Shares on Issue		110,061,816		49,653,737	159,715,553	73,867,336	183,929,152	104,684,645	214,746,461
Issue Price under the Offer				\$ 0.13		\$ 0.13		\$ 0.13	
Implied Market Capitalisation post Offer				\$ 20,763,022		\$ 23,910,790		\$ 27,917,040	

Figure 6.2.1

Additionally, as further outlined in **Section 5.1**, the purpose of the offer is to reduce, in part or in full (depending on whether the Minimum Subscription is achieved), the Company's Series B Debt. To the extent that there is a shortfall under the Entitlement Offer and the Company is unable to reduce the Series B Debt in full, the Company has entered into convertible note deeds for the issue of certain Series C Debt with the respective holders of the Series B Debt (**Series C Convertible Note Deeds**). In accordance with the Series C Convertible Note Deeds, the Series B Debt holders have agreed, subject to whether the Maximum Subscription is achieved, to receive an amount equal to \$130.00 for each Series B Debt note held and for the balance (if any) of the Series B Debt to be cancelled with any remaining Series B Debt converting into an equivalent value of Series C Debt. The terms of the Series C Debt is as follows:

- Series C Debt is convertible into Shares at a price of \$0.30 per Share;
- interest payable on the Series C Notes of:
 - in respect of the period from issue of Series C Notes to 31 December 2019 (inclusive), 12% per annum; and
 - in respect of the period from 1 January 2020 to 30 June 2020 (inclusive), 20% per annum;
- a mandatory redemption date of 30 June 2020; and
- the Series C Notes are convertible into Shares on the occurrence of usual takeover events, including if a cash takeover offer is received on or off-market for the issued share capital in Genera and the Board recommend that the takeover offer be accepted by Shareholders.

6.3 Details of substantial holders

As at 30 January 2019, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue in Genera (on an undiluted basis) are set out below:

Shareholder	Number of Shares held	%
Richard Nicholas Hannebery (including related parties of Richard Nicholas Hannebery)	14,709,519	13.36%

Durbin Superannuation Pty Limited (including related parties of Durbin Superannuation Pty Limited)	12,357,405	11.23%
JPS Distribution Pty Limited <Raff Family>	9,637,727	8.76%

6.4 Impact on control of Genera

The issue of the Shares under the Entitlement Offer to Eligible Shareholders under this Prospectus are not expected to have any effect on the control of Genera.

6.5 Expenses of the Offer

Genera estimates that the total costs of the Entitlement Offer will be approximately \$162,500 (excluding GST). Administrative costs and Share Registry expenses are estimated to be approximately \$12,500 (excluding GST), legal fees are estimated to be approximately \$150,000. Genera will incur ASX and ASIC fees in connection with lodgement of the Prospectus and quotation of the Shares issued under the Entitlement Offer on ASX. These fees are included in the estimated administrative costs provided above.

7. Rights and liabilities attaching to Shares

7.1 Shares

(a) General

The Shares issued under this Prospectus will be fully paid ordinary shares and will, as from their issue, rank equally in all respects with all Shares then on issue. The Shares will be governed by the Corporations Act, the ASX Listing Rules and the Constitution. The following is a summary of the more significant rights and liabilities attaching to the fully paid ordinary shares on issue in Genera. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should obtain independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which can be inspected, free of charge, at Genera's registered office during normal business hours. In applying for Shares under this Prospectus, the applicant agrees that it and any Shares issued to the applicant are bound by the terms of the Constitution.

(b) General meetings and notices

Each Shareholder will be entitled to receive notice of general meetings of Genera.

Shareholders are entitled to be present in person, or by proxy, attorney or representative (in the case of a Shareholder who is a body corporate) to attend and vote at general meetings of Genera.

Shareholders may request meetings in accordance with section 249D of the Corporations Act and call meetings in accordance with section 249F of the Corporations Act.

Each Shareholder will be entitled to receive all notices, accounts and other documents required to be sent to Shareholders in accordance with the Constitution, the ASX Listing Rules and the Corporations Act.

(c) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative (in the case of a Shareholder who is a body corporate);
- (ii) on a show of hands, every Shareholder present in person, or by proxy, attorney or representative has one vote;
- (iii) on a poll, every Shareholder present in person, or by proxy, attorney or representative (in the case of a Shareholder who is a body corporate) has one vote for each Share held and in the case of partly paid shares, that proportion of a vote as is equal to the proportion which the amount paid up on that Shareholder's share bears to the total issue price for that share (excluding calls paid in advance of the due date for payment); and
- (iv) subject to the Corporations Act and the ASX Listing Rules, in the case of an equality of votes, the Chairman has a casting vote in addition to any vote to which the Chairman may otherwise be entitled.

(d) Dividend rights

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, Genera may from time to time pay dividends as the Directors so resolve out of the profits of Genera. All dividends must be paid according to the amounts credited as paid on the fully paid (not partly paid) shares and paid proportionally to the amounts paid for the shares during any part or parts of the period in respect of which the dividend is paid.

Genera must not pay interest on unpaid dividends.

(e) Winding-up

If Genera is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders in kind the whole or any part of the property of Genera and may, for that purpose, set such value as the liquidator considers fair upon any property to be so divided and may decide how the division is to be carried out as between the contributors or different classes of shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the Shareholders as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(f) Shareholder liability

As the Shares are fully paid ordinary shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(g) Transfer of shares

Generally, shares in Genera are freely transferable, subject to satisfying the requirements of the ASX Listing Rules, the ASX Settlement Operating Rules and the Corporations Act. Subject to the ASX Listing Rules and the ASX Settlement Operating Rules, the Directors may in certain circumstances decline to register a transfer of shares or apply a holding lock to prevent a transfer.

(h) Future increase in capital

The Directors may issue shares or options to any person on such terms as the Directors determine, subject to the Corporations Act, ASX Listing Rules and the Constitution, and without prejudice to any special rights conferred on the holders of any issued shares, options or other securities.

(i) Variation of rights

Subject to the Corporations Act, where shares of different classes are on issue, the rights attaching to the shares of a class (unless otherwise provided by their terms of issue) may only be varied by a special resolution passed at a separate general meeting of those shares of that class, or with the written consent of the holders of at least 75% of the issued shares in that class.

At present, the only class of shares that Genera has on issue are ordinary shares.

(j) Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least 75% of the votes cast at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(k) Buy Backs

Subject to applicable laws, in particular the Corporations Act and the ASX Listing Rules, Genera may buy back shares on such terms and conditions as the Board may determine from time to time.

7.2 Eligible Shareholders

Eligible Shareholders are those holders of Shares who:

- are registered as a holder of Shares as at the Record Date;⁴ and
- are eligible under all applicable laws to receive an offer under the Entitlement Offer without a prospectus, disclosure document, product disclosure statement or any lodgement, filing, registration or qualification.

Shareholders who do not satisfy each of these criteria are **Ineligible Shareholders**.

Genera may (in its absolute discretion) extend the Entitlement Offer to any Shareholder in other foreign jurisdictions (subject to compliance with applicable laws).

Genera, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Shareholder and is therefore able to participate in the Entitlement Offer, or an Ineligible Shareholder and is therefore unable to participate in the Entitlement Offer. Genera disclaims all liability to the maximum extent permitted by law in respect of any determination as to whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

7.3 Ineligible Shareholders

As the Entitlement Offer is non-renounceable, the right to subscribe for New Shares that would otherwise have been offered to Ineligible Shareholders are available for application as Additional New Shares.

7.4 Additional New Shares

Eligible Shareholders, other than Directors of the Company and their associates, may also apply for Additional New Shares in excess of their Entitlement. There is no guarantee you will receive the amount of Additional New Shares applied for, if any.

Additional New Shares will only be allocated to Eligible Shareholders if available and to the extent that Genera so determines, in its absolute discretion. Genera may apply any scale-back to applications for Additional New Shares in its absolute discretion.

If you apply for Additional New Shares then, the Excess Amount (if any) may be treated as an application to apply for as many Additional New Shares as your Excess Amount will pay for in full.

No Additional New Shares will be issued to a Shareholder which will result in them increasing their voting power in Genera above 20%.

Directors and their associates will not be eligible to be issued Additional New Shares.

7.5 Foreign jurisdictions

The information in this Prospectus has been prepared to comply with the applicable requirements of the securities laws of Australia and New Zealand.

The information in this Prospectus does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Offer, the Entitlements, the New Shares or Additional New Shares (if applicable), or otherwise permit a public offering of the New Shares or Additional New Shares, in any jurisdiction outside of Australia and New Zealand. Return of your Application Form or your BPAY payment will be taken by Genera to constitute a representation by you that there has been no breach of any laws of a jurisdiction outside Australia or New Zealand.

The distribution of this Prospectus (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this Prospectus, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

⁴ In accordance with the ASX Listing Rules, the Company may ignore changes in security holdings which occur after the imposition of the trading halt in Shares on 4 July 2018 (other than registrations of transactions which were effected through ASX Trade before the trading halt).

8. Risk factors

The New Shares offered under this Prospectus are considered speculative because of the inherent risks associated with operating in the medical devices sector. In addition, there are risks inherent in investing in the share market in general.

The Directors have considered and identified in this section of the Prospectus the critical areas of risk associated with investing in the Shares. The risks identified by the Directors are not exhaustive. Accordingly, you should read this Prospectus in full and obtain professional advice if they require further information on material risks when deciding whether to subscribe for New Shares.

Neither the Company nor any of its Directors or any other party associated with the preparation of this Prospectus guarantees that any specific objectives of the Company will be achieved or that any particular performance of the Company or of its Shares, including those offered by this Prospectus, will be achieved.

8.1 Entitlement Offer specific risks

(a) Use of Funds

The anticipated use of the funds raised from the Entitlement Offer is detailed in section 5.1 of this Prospectus. These are statements of current intention as at the date of this Prospectus. Genera will continue to review and evaluate the proposed uses of funds. The actual use of funds raised under the Entitlement Offer may change depending on various circumstances, including circumstances out of Genera' control.

(b) Shareholder dilution

The Entitlement Offer may have the effect of diluting the percentage of each Shareholder's interest. If a Shareholder does not take up all or part of their Entitlement, that Shareholder's percentage interest in the total issued Shares of Genera will be diluted. Ineligible Shareholders will have their shareholdings diluted. Section 4.5 of this Prospectus contains further information in relation to Shareholder dilution.

(c) Effect on control

The allocation of Shares to existing Shareholders has the potential to increase the level of control a Shareholder has over Genera. Sections 6.3 and 6.4 of this Prospectus provide further details in relation to substantial Shareholders in Genera and the effect that the Entitlement Offer will have upon those substantial Shareholders' shareholdings. Genera will not issue any New Shares to Shareholders if to do so would, to the extent of the knowledge of Genera, result in a breach of the Listing Rules or the restrictions on obtaining or increasing relevant interests of greater than 20% of Genera' issued Shares under Chapter 6 of the Corporations Act, or would otherwise be contrary to the Corporations Act or the Listing Rules.

8.2 Company specific risks

The long term financial success of the Company will be measured ultimately on the basis of profitable operations. Key to becoming profitable is the successful development and commercialisation of the Company's product portfolio, establishment of efficient manufacturing operations, achieving product distribution capability, and overall, the ability to attract funding to support these activities. The following specific risks have the potential to affect the Company's achievement of its business goals. This is not an exhaustive list.

(a) Commercial risk

The development and commercialisation of medical technology is subject to an inherent risk of failure, including the possibility that the products developed by Genera may fail to demonstrate any material benefit or advancement in relative clinical performance, be difficult or impossible to manufacture on the necessary scale, be uneconomical to market or otherwise not commercially exploitable, fail to be developed prior to the successful marketing of a similar product by competitors, or fail to achieve the support of prospective pathology laboratory customers, physicians, patients or the wider medical industry.

Genera gives no guarantee that the development and commercialisation of its intellectual property will be successful, that development and commercialisation milestones will be achieved, or that commercialisation will be successful. There are many risks inherent in the development of medical technology products, particularly where the products are still in the development stage. Projects can be delayed or fail to demonstrate any benefit or may cease to be viable for a range of scientific and commercial reasons. Genera does not guarantee that its projects will be commercially successful.

(b) Competition risk and rapid technological change

As with most markets, there can be no assurance that other parties will not develop, or achieve commercialisation, of products or intellectual property that compete with or supersede Genera's AmpaSand® multiplex tests or intellectual property. Therefore, it is likely that there are competing development programs in the areas being researched and developed by Genera.

Genera aims to compete with companies in markets that are engaged in the development and production of similar products. Genera faces intense competition from existing competitors and other companies seeking to develop and commercialise new technologies. Many of Genera's competitors have access to greater financial, technical, scientific, research, marketing, sales, distribution, service and other resources than Genera do and may have longer operating histories or more recognisable brand names. These companies may develop technologies that are superior alternatives to Genera's technologies or may be more effective at commercialising their technologies in products.

Several companies provide systems and reagents for DNA amplification or detection. Life Technologies Corporation (a Thermo Fisher Scientific Inc. brand) and F. Hoffman-La Roche Ltd. (Roche) sell systems integrating DNA amplification and detection (sequence detection systems) to the commercial market. Roche have secured via their limited HPV genotyping Cobas® HPV test a very strong market position in the HPV screening test market with most pathology laboratories in Australia and elsewhere. These existing commercial relationships are usually governed by multi-year exclusive supply agreements that may also include the supply of other molecular diagnostic tests outside of HPV. While Genera is confident that its PapType® broad genotyping HPV test is well positioned, initially as a reflexive test, there can be no guarantee that Genera will be successful in replacing the Roche Cobas® HPV test or any other approved HPV screening tests utilised by prospective pathology customers should PapType® achieve 'Meijer compliance' in terms of clinical test performance in a screening setting.

Companies developing and marketing multiplex molecular diagnostics systems include: Luminex (which acquired Nanosphere, Inc.); bioMérieux (which acquired BioFire Diagnostics, Inc.); Qiagen (which has agreed to acquire Stat-Dx), Siemens (which acquired Fast Track Diagnostics), T2 BioSystems, Accelerate Diagnostics, Hologic, Inc and Seegene. In the Australian domestic market, Genera also competes with AusDiagnostics and Genetic Signatures.

Life Technologies Corporation (a Thermo Fisher Scientific Inc. brand), Roche, Abbott Laboratories, Becton Dickinson and Company, Qiagen N.V., Hologic, Inc., Meridian Bioscience, Inc., bioMérieux S.A., Illumina, Inc. and Quidel Corporation sell sequence detection systems, some with separate robotic batch DNA purification systems, and they also sell reagents to the clinical diagnostics market. Other companies offer molecular diagnostic tests. Additionally, Genera expects that in the future, additional competitors will emerge that offer a broad range of competing products, including increasing adoption of competitive products based on mass spectrometry and next generation sequences test technologies.

Genera's future success depends on its ability to compete effectively against current technologies, as well as to respond effectively to technological advances by developing and marketing products that are competitive in the continually changing technological landscape. Genera also has limited marketing, sales and distribution experience and capabilities.

(c) Product liability claims risk

There is a risk that a patient may have an adverse event stemming from a false negative test result from one of Genera's tests leading to a product liability claim against Genera. Genera attempts to reduce the risk of such claims through disclaimers and liability limitation clauses and by maintaining product liability insurance. However, these may not be adequate, and a product liability claim for damages could be substantial. A product liability claim where there was insufficient insurance coverage could have a material adverse effect on Genera's financial condition and reputation. An adverse patient event or product liability claim could harm the market perception of the effectiveness of Genera's AmpaSand® tests.

(d) Financial and funding risk

There is uncertainty surrounding the current financial position and the future financial performance and prospects of Genera. Genera's ability to achieve and deliver ongoing profitably in the future will depend in part on its ability to successfully commercialise its products and grow sales of the AmpaSand® test menu.

Other factors that will determine Genera's financial position, performance and prospects are its ability to manage costs, execute development and growth strategies, penetrate into new markets and comply with its debt obligations to Series B Noteholders who hold Series B Notes that currently accrue capitalised interest at the rate of 30.0% per annum.

Genera has entered into a 'Restructure Deed' with all Series B Noteholders, who, subject to receiving a minimum cash repayment to be funded from the proceeds of the Entitlement Offer, have agreed to a partial roll over into Series C Notes that accrue capitalised interest at the rate of 12.0% per annum for the period to 31 December 2019 and 20.0% per annum for the 6 months thereafter. While any issue of new Series C Notes will defer repayment of remaining debt until 30 June 2020, there is no assurance that Genera will be in a financial position and have adequate financial capacity to redeem the new Series C Notes when they fall due for repayment on 30 June 2020.

Genera currently intends to pursue a number of alternative partnering agreements which may include the out licensing of PapType® to credible third parties for the China, US and Canadian markets. Genera also intends to apply any excess funds realised from out licensing activity to be applied to the early cash redemption of Series C Notes that may be issued upon completion of the Entitlements Offer.

Genera's ability to implement its overall business strategy is likely to depend wholly or in part on its ability to continue to raise additional funds. Until such time, if ever, as Genera can generate positive cash flows from operations, it will be required to finance its operations with cash resources. Genera is likely to need to raise additional funds in the future to support our operations. However, Genera cannot be certain that additional capital will be available as needed, on acceptable terms, or at all. If Genera requires additional capital at a time when investment in the Company, in molecular diagnostics companies, or the marketplace in general is limited and financial and share markets generally are unreceptive, Genera may not be able to raise such funds at the time that Genera desires, or at all. If Genera does raise additional funds through the issuance of equity or convertible securities, the percentage ownership of holders of Shares could be significantly diluted. In addition, newly issued securities may have rights, preferences or privileges senior to those of holders of Shares. No assurance can be given that future funding will be available, or that it will be available on terms acceptable to Genera. If Genera raises additional funds through collaborations and licensing arrangements, it could be required to relinquish significant rights to our technologies and products, or grant licenses on terms that are not favourable.

(e) Intellectual property risk

Genera's success will also depend on its ability to obtain adequate and valid patent protection, maintain trade secret protections and operate without infringing the proprietary rights of third parties or having third parties circumvent Genera's proprietary rights.

While Genera believes it has taken appropriate steps to protect its proprietary technology, the laws may not adequately protect it in all places that Genera does business or enable Genera's rights to be enforced with sufficient adequacy.

The enforceability of a patent is dependent on a number of factors which may vary between jurisdictions, including the validity of the patent and the scope of the protection it provides. The validity of a patent depends upon factors such as the novelty of the invention, the requirement in many jurisdictions that the invention not be obvious in light of the prior art (including any prior use or documentary disclosure of the invention), the utility of the invention and the extent to which the patent specification clearly discloses the best methods or working or carrying out the invention. The legal interpretation of these requirements often varies between jurisdictions. Even if Genera succeeded or succeeds in obtaining the grant of patents, there can be no assurance that other parties will not seek to imitate Genera's patents and in doing so, attempt to design products in such a way as to circumvent Genera's patent rights. Additionally, the ability of a legal process to provide efficient and effective procedures for dealing with actual or suspected infringements can vary considerably between jurisdictions.

Regarding Genera's patent applications, no guarantee can be given that such patent protections will be obtained by Genera. If such patents are not granted, it may be possible for a third party to imitate and use Genera's intellectual property without Genera's authorisation or to develop and use similar technology independently. Genera will vigorously pursue both its existing and all future Australian and foreign patent applications. Genera cannot guarantee, nor does the future grant of a patent guarantee, that the patent concerned is valid or that the patented technology does not infringe the rights of others.

Genera may wish to expand into further foreign countries in the future and the laws of those foreign countries may treat the protection of proprietary rights differently from the laws of Australia. Those laws may not protect Genera's proprietary rights to the same extent as do the laws of Australia.

Any patents Genera does currently own or that it may obtain in the future may not afford full protection for Genera's technologies and products. Other parties may challenge the validity of Genera's patents and, as a result, Genera's patents could be narrowed or invalidated in administrative or judicial proceedings. In addition, Genera's current and future patent applications may not result in the issuance of patents in Australia, the United States or other countries. Competitors may develop products that are not covered by our patents.

Genera currently owns 114 issued patents worldwide, including 10 issued patents in the United States. Other countries in which Genera has issued patents directed to various aspects and applications of its products and technologies include Australia, New Zealand, Canada, Japan, Europe, France, Germany, Italy, the United Kingdom, Switzerland, Spain, the Russian Federation, Brazil, Mexico, India, Hong Kong and China. In addition, Genera's patent portfolio includes 7 pending patent applications in global jurisdictions other than the United States, which have all been successfully issued.

Genera seeks to require employees, consultants, strategic partners and other third parties to execute confidentiality agreements. Employees and any third-party consultants also sign agreements requiring that they assign to Genera their interests in inventions and original expressions and any corresponding patents and copyrights arising from their work for Genera. In addition, Genera has implemented a patent process to file patent applications on key technologies. However, Genera cannot guarantee that these agreements or this patent process will provide adequate protection against improper use of Genera's intellectual property or disclosure of confidential information. In addition, others may independently develop substantially equivalent proprietary technologies, techniques and products or counterfeit versions of Genera's products or otherwise gain

access to its trade secrets. Genera's failure to protect its proprietary information and techniques may inhibit or limit its ability to distinguish its products in the market.

In order to protect or enforce patent rights, Genera may have to initiate legal proceedings against third parties, such as infringement suits or interference proceedings. These legal proceedings could be expensive with significant potential exposure to legal costs, take significant time and/or divert management's attention from other business concerns. These proceedings may cause Genera to lose the benefit of some of its intellectual property rights, the loss of which may inhibit or preclude its ability to distinguish its products in the market. These proceedings also may provoke these third parties to assert claims against Genera.

(f) Key personnel risk

Genera's future success depends on its continuing ability to retain and attract highly qualified technical, R&D and managerial personnel. Competition for such personnel can be intense and there can be no assurance that Genera will be able to retain its key technical, R&D, managerial employees, or that it will be able to attract and retain additional highly qualified personnel in the future. Furthermore, most if not all of Genera's existing and future targeted collaborations and partnerships are managed by the CEO with the support of the Director of Corporate Development. Should either of these executives leave the business the prospect of maintaining and adding to existing strategic partnerships may be at risk. The ability to attract and retain the necessary personnel could have a material adverse effect on Genera's financial position, performance and reputation.

(g) Litigation risk

Although not currently a party to any litigation, Genera may, in the future, be involved in litigation. Litigation may be commenced against the company in any number of areas, including by shareholders, regulatory authorities, employees or competitors. Also, Genera may institute proceedings to, for example, defend a proprietary right. Litigation involving Genera may adversely affect Genera's financial position and reputation.

(h) Regulatory risk

Genera cannot predict when or if it will obtain regulatory approval for its products. Even if Genera does obtain regulatory approval for a product, its products will remain subject to regulatory scrutiny. Genera products are based on novel technology, making it difficult to predict the time and cost of development, regulatory approval and commercialisation.

As Genera pursues the development and registration of products, regulation by governmental authorities in Australia, the United States, China and other countries will be a significant factor in the development, testing, production, and marketing of such products. Products that Genera has developed and aims to develop in the future in the molecular diagnostic markets will be regulated as medical devices by the TGA, FDA, CFDA and other global governmental authorities and may require receipt of clearance following a pre-market notification process or similar prior to marketing. Obtaining the requisite regulatory approvals can be expensive and may involve considerable delay. Changes to the current regulatory framework, including additional or new regulations, could arise at any time during the development or marketing of our products, which may negatively affect our ability to obtain regulatory approval of Genera's products.

For the United States market Genera's respiratory panel and newly developed AmpaSand® tests will require 510(k) clearance and in the case of PapType® as a compliant screening test, pre-market approval, by the FDA prior to marketing those tests for commercial use in the United States. There are a number of potential risks associated with conducting clinical studies and obtaining regulatory clearance. For example, Genera may have difficulty maintaining the level of reliability and clinical accuracy required to timely complete clinical studies and obtain FDA clearance or approval. In addition, the FDA may require that Genera conduct additional studies that could impact the cost associated with product clearance and could potentially delay commercial launch of newly developed tests in the United States. Genera may be unsuccessful in obtaining FDA

clearance for its expanding test menu within our expected timeframe, or at all, which could adversely impact its future financial performance and cause our share price to decline. To help manage these risks, particularly regarding PapType's successful commercialisation in the US and China markets, it is Genera's current intention to out license PapType® as well as potentially other AmpaSand® tests to a credible third party that has a demonstrable track record in undertaking the required multi-centre clinical trials and FDA/CFDA registration as well as successful marketing and distribution capabilities in the relevant jurisdictions.

The regulatory environment is constantly evolving. For example, the FDA conducted a review of the pre-market clearance process in response to internal and external concerns regarding the 510(k) program and, in January 2011, announced 25 action items designed to make the process more rigorous and transparent. Some of these proposals, if enacted, could impose additional regulatory requirements for device manufacturers which could delay Genera's ability to obtain new 510(k) clearances, increase the costs of compliance or restrict its ability to maintain its current clearances. Similarly, the European Union (EU) is transitioning from the existing European Directive 98/79/EC on in vitro diagnostic medical devices, or IVD Directive (IVDD), to the In Vitro Diagnostic Device Regulation (IVDR). Under the IVDR, the classification of Genera's molecular diagnostic products will be impacted, and will result in additional regulatory requirements, which could delay its ability to CE Mark our products. Delays in receipt of, or failure to obtain, clearances or approvals for future products would result in delayed, or no, realisation of revenues from such products and in substantial additional costs, which could decrease our profitability.

(i) Licensing and third-party collaboration risk

In Genera's new Companion Diagnostic test development business unit, Genera will require collaboration with other organisations (eg. major pharmaceutical companies) in obtaining access to relevant biomarkers for which to integrate into its AmpaSand® assays and thereafter undertake requisite clinical studies in order to prove the relative clinical performance of our multiplex assays versus several existing assays or next generation sequencing test platforms that are utilised in the Companion Diagnostic testing space.

(j) Reliance on custom instrumentation systems to run Genera's tests

Genera's AmpaSand® tests require highly specialised instrumentation systems provided by third party suppliers for pathology customers to run its tests and generate reportable results to clinicians and their patients. The number of major global vendors that can provide such customised systems that are also highly automated is very limited. In any event all commercially attractive instrumentation systems that have been identified to date involve some third-party component that is required to be sourced from outside of the major global vendor. Pathology customers usually prefer the in-market services and support of a single global instrumentation vendor that offer rapid service turnaround times when required. While it is Genera's strategy to directly manage strategic sales of its AmpaSand® assays into prospective customers where it has not out-licensed marketing rights the company's ultimate commercial success in the market will also be affected by the ability of major global instrumentation vendors to adequately service and support any systems that are placed with customers to run Genera's tests. Any failure of these vendors to provide an adequate level of service and support satisfactory to pathology customers' requirements may materially impact Genera's ability to generate revenues from the supply and sale of its AmpaSand® assays to customers regardless of being under contract. In order to manage these risks Genera aims to only enter instrumentation distribution relationships with well qualified and credentialed suppliers such as Beckman Coulter Life Sciences Inc. Aside from Beckman Coulter, Genera has also identified two other global instrumentation vendors who Genera believes their instrumentation systems can be fit for purpose for pathology customers running Genera's AmpaSand® assays as well as being able to provide the required levels of service and support.

In addition to the requirement for appropriate access to customised instrumentation systems in order to most effectively run Genera's AmpaSand® assays these systems firmware and software need to be able to connect and operate in conjunction with Genera's proprietary QPlots test reporting software. To date Genera has not experienced

any major commercial issues in its ability to successfully integrate the various APIs required to seamlessly integrate our proprietary test reporting software. Should any third-party vendor make material changes to their instrumentation systems firmware and software, Genera would need to make appropriate amendments to its own QPlots test reporting software which may not be able to be achieved. Should the QPlots reporting software not be able to accurately report test results for any reason it may have a material impact on the supply and sale of its AmpaSand® assays to customers regardless of being under contract.

(k) Increased development expenditure risk

While Genera's business currently operates using a moderate amount of capital these expenditures are expected to increase as additional AmpaSand® test product development is accelerated in order to offer a depth of test menu that prospective pathology customers usually require to be able to be run on a single customised and dedicated instrumentation platform which Genera's AmpaSand® test products require.

In addition to an expansion of the AmpaSand® test menu for prospective pathology customers, Genera also plans to increase expenditure on the development of targeted assays for Companion Diagnostic testing. Initially this development expenditure will be borne at risk by Genera until such time that it is able to successfully enter into a development collaboration program with a prospective pharmaceutical partner(s) who thereafter may make available significant financial resources to fund the test development program. There is no guarantee that Genera will be successful in its proposed pharmaceutical partnering activities and any such deals may take significantly longer to materialise and, in any event, may not happen at all.

In addition, there is a risk that Genera's future revenues do not meet thresholds required to support its ongoing operational costs. In this event Genera will need to raise further capital in order to fund its operations and in such an event it is possible that Shareholders will be subject to dilution.

(l) Manufacturing risk

While Genera is currently aiming to expand its manufacturing capabilities in order to meet its growth objectives, it may not be able to produce sufficient quantities of products or maintain consistency between differing lots of consumables. If Genera encounters difficulties in scaling its manufacturing operations as a result of, among other things, quality control and quality assurance issues and availability of components and raw material supplies, Genera is likely to experience reduced sales of its products than what otherwise it expects, increased repair or re-engineering costs due to product returns and defects and increased expenses due to switching to alternate suppliers, any of which could reduce its prospective revenues and gross margins.

Genera presently outsources certain components of its assembly of our assays to contract manufacturers. Because of a long lead-time to delivery, Genera is required to place orders for a variety of items well in advance of scheduled production runs. Genera has increased its flexibility to purchase strategic components within shorter lead times by entering into supply agreements with the suppliers of these components. Although Genera attempts to match its parts inventory and production capabilities to estimates of marketplace demand, to the extent system orders materially vary from its estimates, Genera may experience continued constraints in its systems production and delivery capacity, which could adversely impact revenue. Should Genera's requirements for raw materials and components used in production fluctuate, Genera could incur additional costs associated with either expediting or postponing delivery of those materials.

Genera requires receiving supply from third parties for certain oligonucleotides and enzymes that are patented or controlled by others. If Genera cannot continue to obtain these items then its business, financial condition and results of operations could be negatively affected. Genera currently purchases certain key components used in its AmpaSand® assays from a limited number of outside sources and, in the case of some components, a single source, and these components may only be available through a limited number of providers. Genera does not have agreements with all of its suppliers.

While Genera currently believes that it will be able to satisfy its forecasted demand for its products, the failure to find alternative suppliers in the event of any type of supply failure at any of our current vendors at reasonably comparable prices could have a material adverse effect on our business, financial condition and results of operations. Additionally, Genera has entered into supply agreements with some key suppliers of strategic reagents and dyes to help ensure component availability, and flexible purchasing terms with respect to the purchase of such components. If Genera's suppliers discontinue production of a key component, Genera will be required to revalidate an affected product and may be required to resubmit regulatory submissions for a previously cleared product.

(m) International trade risk

Genera's commercial success is dependent upon the international trading of the diagnostic tests it creates. Given the nature of Genera's operations in Australia and its focus on the commercialisation of its diagnostic tests in other countries including the United States of America, Genera is subject to the risk that those countries may impose restrictions on trading with other countries. The trade relationship between the United States of America and China is uncertain at this time and Genera cannot guarantee that the export of medical technology to China, or any other country, will not be subject to tariffs that decrease the commercial viability of those exports. Genera is also subject to the risk that concerns about deteriorating international trade relationships may have a negative impact on international counterparties to transactions and confidence in future trade relations. Genera is not in a position to influence government or international policy in this area.

(n) Business interruption risk

Genera is subject to the risk that its suppliers and manufacturers may be subject to business interruption outside of Genera's control. In the event of business interruption to a key supplier or manufacturer, Genera cannot guarantee that it will be able to source alternative suppliers or manufacturers within the required time period or subject to a commercially viable arrangement and for which the supply meets required quality thresholds which need to be met in order for Genera to demonstrate equivalence in the clinical performance of its diagnostic tests. This is particularly relevant in relation to AmpaSand® products which are reliant upon a small number of key validated components (eg. dyes, enzymes and oligos) that are only currently available from sole source suppliers. In addition to these risks Genera currently manufactures at a single manufacturing site at its Scoresby Australia premises. Should Genera's Scoresby manufacturing facility go offline for any reason Genera's business may suffer extreme financial consequences.

8.3 General risks

An investment in Shares carries certain risks, many of which are not in the control of the Company or its management. These risks include the risks set out below.

(a) Failure to achieve Minimum Subscription risk

No New Shares or any Additional New Shares (if applicable) will be issued under the Entitlement Offer if Applications do not reach the Minimum Subscription, in which case all Application Monies received will be refunded to Applicants (without interest). As set out in section 8.2(d), Genera has entered into Restructure Deeds with its Series B Noteholders to provide a minimum cash repayment from the proceeds of the Entitlement Offer and a partial roll over into Series C Notes of the balance of the Series B Debt under the Series C Notes. However, if the Minimum Subscription is not achieved, Genera will not have adequate financial capacity to provide the minimum cash repayment under the Restructure Deeds. As set out in section 5.1, Genera also intends to use some of the proceeds of the Entitlement Offer to repay certain Subordinated Mezzanine Debt, which it will not have adequate financial capacity to do if the Minimum Subscription is not achieved.

Further, if the Minimum Subscription is not achieved, there will be greater uncertainty surrounding the ongoing financial position and future financial performance prospects of

Genera as set out in more detail in section 8.2(d). Genera will be required to pursue alternate funding arrangements to support the ongoing operation and performance of the Company and there is no guarantee that Genera will be able to obtain alternate funding arrangements at all or on terms favourable to Genera.

(b) Economic risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on Genera's development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of Genera's quoted securities regardless of its operating performance. Share market conditions are affected by many factors, which include (but are not limited to):

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

(c) Share price risk

The price of a Company's publicly quoted shares are affected by many variables not directly related to the company's success. In recent years, financial markets both in Australia and around the world have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospectus of such companies. There can be no assurance that such fluctuations will not adversely affect the price of Genera's Shares.

There is no assurance that the price of the Shares will increase, decrease or stay the same following the issue of the New Shares under this Prospectus, even if the Company's earnings increase.

(d) Legislative change risk

Changes in government regulations and policies, including potential changes to Australia's tax laws and foreign tax laws relevant to the Company, may adversely affect the financial performance or the current and proposed operations of Genera.

(e) Other risks

The above list of risk factors ought not to be taken as exhaustive of the risks faced by Genera or by investors in Genera. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of Genera and the value of the Shares, including any New Shares and Additional New Shares offered under this Prospectus.

9. Additional information

9.1 Continuous disclosure obligations

This Prospectus is issued by Genera in accordance with the provisions of the Corporations Act applicable to a prospectus for continuously quoted securities.

As a disclosing entity, Genera is subject to regular reporting and disclosure obligations. As a listed company, Genera is subject to the ASX Listing Rules which require, subject to certain exceptions, prompt disclosure to the market of any information of which Genera is aware which a reasonable person might expect to have a material impact on the price or value of the Shares (and therefore the value of any Options).

Section 713 of the Corporations Act enables a company to issue a 'transaction specific' prospectus where the securities offered under that prospectus are continuously quoted securities within the meaning of the Corporations Act. This generally means that the relevant securities are in a class of securities that were quoted 'enhanced disclosure' securities at all times during the three months before the date of the prospectus and that, during the 12 months before the date of the prospectus, the issuing company was not exempt from the continuous disclosure regime and disclosing entity requirements under the Corporations Act and the ASX Listing Rules.

In summary, 'transaction specific' prospectuses are required to contain information in relation to the effect of the offer of securities on the company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, Genera believes that it has complied with, and has not been exempt from, the general and specific requirements of ASX as applicable throughout the 12 months before the date of this Prospectus which required Genera to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the securities market conducted by ASX. For the purposes of satisfying section 713(5) of the Corporations Act, a prospectus must also incorporate such information if such information:

- (a) has been excluded from a continuous disclosure notice in accordance with the Listing Rules; and
- (b) is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liability, financial position and performance, profits and losses and prospects of the body; and
 - (ii) the rights and liabilities attaching to the securities being offered.

This Prospectus must contain the above information only to the extent to which it is reasonable for investors or Eligible Shareholders and their professional advisers to expect to find such information in the Prospectus. The Company is not aware of any matters that need to be disclosed under this section of the Corporations Act that have not been previously disclosed or which have not been set out in this Prospectus.

The information in this Prospectus principally concerns the terms and conditions of the Offer and the information that investors and their professional advisers would reasonably require to make an informed assessment of:

- the effect of the Offer on the Company; and
- the rights and liabilities attaching to the New Shares and any Additional New Shares.

This Prospectus contains this information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all the information that would be included in a prospectus for an initial public offering of shares.

The Company, since listing, has provided ASX with a substantial amount of information regarding its activities. That information is publicly available. Shareholders and other investors should read

this Prospectus in conjunction with that publicly available information before making an investment decision.

No party other than the Company has authorised or caused the issue of the information in this Prospectus, or takes any responsibility for, or makes any statements, representations or undertakings in, this Prospectus.

9.2 Company announcements

Investors may view a record of Genera's ASX announcements at www.asx.com.au. ASIC also maintains records in respect of documents lodged with it by Genera and these may be obtained from or inspected at the office of ASIC. This Prospectus is intended to be read in conjunction with information previously publicly disclosed by Genera.

The Company will provide free of charge to any person who requests it during the application period under this Prospectus:

- (a) the annual financial report most recently lodged by Genera with ASIC;
- (b) any half-year financial report lodged by Genera with ASIC after the lodgement of the annual financial report referred to in paragraph (a) and before the lodgement of this Prospectus with ASIC; and
- (c) any continuous disclosure documents given by Genera to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in paragraph (a) and before the lodgement of this Prospectus with ASIC.

For the purpose of section 713(4) of the Corporations Act, the Company has lodged the following continuous disclosure notices (ASX announcements) since the date of lodgement of the Company's 2018 Annual Report to Shareholders:

Date	Headline
17 January 2019	Receipt of R&D Tax Rebate
14 January 2019	Change in substantial holding
14 January 2019	Change of Director's Interest Notice
14 January 2019	Appendix 3B
14 December 2018	2018 CEO AGM Presentation
30 November 2018	Final Director's Interest Notice
30 November 2018	Changes to the Board of Directors
16 November 2018	Appendix 4G and Corporate Governance Statement

All requests for copies of the above documents should be addressed to:

The Company Secretary
Genera Biosystems Limited
1 Dalmore Drive
Scoresby VIC 3179

9.3 Litigation

The Company is not presently party to any legal proceedings that, in the opinion of Genera would reasonably be expected to have a material adverse effect on its business, financial condition, operating results or cash flows if determined adversely against Genera.

9.4 Relevant interests, benefits and related party transactions

Sections 3.3 to 3.5 of this Prospectus set out a summary of the interests and benefits payable to the Directors and other persons connected with Genera or the Offer and any significant related party transactions.

The Board understands that Directors and their related parties will participate in the Offer.

9.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of Genera; or
- (c) underwriter to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (d) the formation or promotion of Genera;
- (e) any property acquired or proposed to be acquired by Genera in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of Genera; or
- (h) the Offer.

MinterEllison has acted as Australian legal advisers to Genera in relation to the Offer. Genera estimates it will pay MinterEllison approximately A\$150,000 (excluding GST and disbursements) for these services. Further amounts may be paid to MinterEllison in accordance with its usual time based charge out rates.

9.6 Consents

Each of the parties referred to in this Section 9.6:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

MinterEllison has given its written consent to being named as Australian legal advisers to Genera in this Prospectus. MinterEllison has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Grant Thornton has given its written consent to be named in this Prospectus as the auditor to Genera. Grant Thornton has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Computershare Investor Services Pty Limited has given its written consent, and has not withdrawn its consent, to be named as Share Registry in the form and context in which it is named in this Prospectus. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to Genera. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

9.7 Restricted securities

None of Genera's issued securities are 'restricted securities' (as defined in the ASX Listing Rules).

9.8 Broker handling fees

No handling fees are payable in connection with the Offer under this Prospectus.

9.9 Taxation

The Board do not consider that it is appropriate to provide investors or Eligible Shareholders with advice regarding the taxation consequences of accepting the Offer under this Prospectus. Genera, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to investors or Eligible Shareholders in respect of any issue.

9.10 Privacy disclosure statement

The Company holds certain personal information regarding Shareholders that has been provided to Genera (directly or via the Share Registry) in connection with their investment in Genera. The *Privacy Act 1988* (Cth) governs the use of a person's personal information and sets out principles governing the ways in which organisations should treat personal information. The personal information that Genera holds is used to provide services and appropriate administration including communications with members. If Genera is obliged to do so by law, investors' personal information will be passed on to other parties strictly in accordance with legal requirements. After personal information is no longer needed for its records, Genera will destroy or de-identify it.

The Corporations Act requires that Genera include information about security holders (including name, address and details of the securities held) in its public register. The information contained in Genera's public register must remain there for seven years after that person ceases to be a security holder. Information contained in Genera's registers is also used to facilitate distribution payments and corporate communications (including Genera's financial results, annual report and other information that Genera may wish to communicate to its security holders) and compliance by Genera with legal and regulatory requirements.

An investor or Eligible Shareholder has a right to gain access to the information that Genera holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to Genera's registered office.

An investor or Eligible Shareholder who would like details of their personal information held by Genera or its Share Registry, or who would like to correct information that is incorrect or out of date, should contact the Share Registry by telephoning 1300 850 505 (within Australia) or +61 3 9415 5000 (outside Australia) or using the address shown in the Corporate directory.

9.11 Authorisation

Each Director has consented (and has not withdrawn their consent) to the lodgement of this Prospectus with ASIC.

9.12 Governing Law

This Prospectus is governed by the law of Victoria.

Glossary

Term	Definition
\$ and A\$	means the currency of Australia.
AASB	means the Australian Accounting Standards Board.
Additional New Shares	has the meaning given in Section 7.4.
AEDT	means Australian Eastern Daylight Time.
Applicant	means a person or entity who submits an Entitlement and Acceptance Form.
Application	means an application made on a personalised Entitlement and Acceptance Form to apply for New Shares (and, if applicable, Additional New Shares) under the Entitlement Offer in accordance with this Prospectus.
Application Monies	means monies received from Applicants in respect of their Applications.
ASIC	means the Australian Securities and Investments Commission.
ASX or Australian Securities Exchange	means ASX Limited ACN 008 624 691 or the financial market known as the Australian Securities Exchange operated by it, as the context requires.
ASX Listing Rules	means the listing rules of the ASX.
ASX Settlement	means ASX Settlement Pty Limited ABN 49 008 504 532.
ASX Settlement Operating Rules	means the operating rules of ASX Settlement as amended from time to time, except to the extent of any express written waiver by ASX Settlement.
Board	means the board of Directors unless the context indicates otherwise.
CEO	means Chief Executive Officer.
Company or Genera	means Genera Biosystems Limited ACN 098 663 837.
Constitution	means the constitution of Genera as at the date of this Prospectus.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of Genera as at the date of this Prospectus.
Eligible Shareholders	has the meaning given in section 7.2.
Entitlement	means the number of New Shares that an Eligible Shareholder is entitled to apply for under the Entitlement Offer, as determined by the number of Shares held by that Eligible Shareholder on the Record Date.
Entitlement and Acceptance Form	means the relevant personalised form accompanying this Prospectus which Eligible Shareholders may use to apply for New Shares (and, if applicable, Additional New Shares).
Entitlement Offer	means the non-renounceable entitlement offer of New Shares in the Company in the ratio of 4 New Shares for 5 Shares held on the Record Date.
Entitlement Offer Closing Date	means 5.00pm (AEDT) on Friday, 1 March 2019 or such later date as the Company determines in its sole and absolute discretion.
Entitlement Offer Opening Date	means 4.30pm (AEDT) on Monday, 11 February 2019.
Entitlement Offer Period	means the period from and including the Entitlement Offer Opening Date until and including the Entitlement Offer Closing Date.
Group	means Genera and its subsidiaries.
GST	means goods and services tax.
Ineligible Shareholders	has the meaning given in section 7.3.
Majority Series B Noteholders	means such number of Series B Noteholders cumulatively representing not less than 75% of the Series B Debt.

Term	Definition
Maximum Subscription	means the maximum raising of approximately \$11,446,400 by the issue of approximately 88,050,000 Shares at the Offer Price pursuant to this Prospectus.
Minimum Subscription	has the meaning given in section 4.3.
Minimum Subscription Condition Precedent	has the meaning given in section 4.3(a).
New Share	means fully paid ordinary shares in the Company issued under the Entitlement Offer which will rank equally with existing Shares from the date of issue.
Offer	means the Entitlement Offer.
Offer Price	means the price payable for a New Share (or Additional New Share, if applicable) under the Entitlement Offer, being \$0.13 per New Share.
Offered Securities	means the New Shares, the Additional New Shares and the Options.
Official Quotation	means official quotation on ASX.
Option	means an option to acquire a Share on terms described in this Prospectus.
Prospectus	means this prospectus dated 31 January 2019.
Prospectus Expiry Date	means 31 February 2020.
Record Date	means the record date for the Entitlement Offer, being 7.00pm (AEDT) on Wednesday, 6 February 2019.
Section	means a section of this Prospectus.
Series B Debt	means the aggregate outstanding dollar (\$) value of debt owed by Genera under the Series B Notes to Series B Noteholders.
Series B Noteholder	means a holder of one or more Series B Notes.
Series B Notes	means one or more of the 30,000 notes on issue by Genera in relation to the Series B Debt.
Series C Notes	means a note issued to a Series B Noteholder in consideration for repayment of certain Series B Debt.
Series C Debt	means the balance of Series B Debt not subject to cash repayment under the use of proceeds of the Entitlement Offer to be converted into a Series C debt by the issue of Series C Notes.
Share(s)	means a fully paid ordinary share in the capital of Genera.
Share Registry	means Computershare Investor Services Pty Limited.
Shareholder	means a holder of one or more Shares.
Shortfall Shares	has the meaning given in section 4.2.
Subordinated Mezzanine Debt	means the aggregate outstanding dollar (\$) value of mezzanine debt owed by Genera under certain arrangements with certain mezzanine debt providers.
US Securities Act	means the <i>Securities Exchange Act of 1934</i> (US).

Corporate directory

Directors

Louis Panaccio (Chairman)
Richard Hannebery (CEO)
Karl Poetter
James Kalokerinos

Company Secretary

Melanie Leydin

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067
Australia
Telephone + 61 1300 850 505
Website www.computershare.com/au/

Legal advisers

MinterEllison
Level 23, Rialto Towers
525 Collins Street,
Melbourne, Victoria 3000
Australia

Registered Office

C/- Small Technologies Cluster
1 Dalmore Drive
Scoresby VIC 3179
Australia

Telephone +61 3 9763 1287
Facsimile +61 3 2817
Website www.generabiosystems.com

Auditor

Grant Thornton Australia Limited
Collins Square, Tower 1,
Level 16, 727 Collins Street
Docklands VIC 3008
Australia