



MedAdvisor Limited

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2 November 2020

Mr Sean Maloney

Listings Compliance (Perth)
ASX Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

Dear Sir

MedAdvisor Limited (ASX:MDR) - Cleansing notice in respect of accelerated non-renounceable pro-rata entitlement offer

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

This notice is given by MedAdvisor Limited ACN 145 327 617 (**MDR**).

This notice is given in accordance with section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**), as modified by Australian Securities and Investments Commission's *Corporations (Non-Traditional Rights Issues) Instrument 2016/84* (**Legislative Instrument**).

1. **Background**

MDR has announced an accelerated non-renounceable pro-rata entitlement offer (comprising both institutional and retail components) to raise up to a maximum of approximately AUD \$44.6 million (before costs) (**Entitlement Offer**).

The Entitlement Offer will involve the offer of up to a maximum of approximately 99,178,644 fully paid ordinary shares in MDR (**New Shares**) on the basis of 1 New Share for every 2.5 Shares held by shareholders (**Shareholders**) in MDR on the applicable record date (**Record Date**) at an issue price of AUD \$0.45 per New Share.

In addition, MDR has announced it is undertaking a placement of up to a maximum of approximately 61,936,653 New Shares in MDR at AUD \$0.45 per New Share to raise approximately AUD \$27.9 million (**Placement**) (the Entitlement Offer and Placement together, the **Placement and Entitlement Offer**).

The Placement and Entitlement Offer are not underwritten.

Notwithstanding the maximum amounts that may theoretically be raised, MDR is targeting a total amount of AUD \$45.0 million under the Placement and institutional component of the Entitlement Offer, with a minimum amount of AUD \$35.0 million to be raised.

2. **Cleansing notice in respect of the Entitlement Offer**

With respect to the Entitlement Offer, MDR advises that:

- (a) the New Shares will be offered without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act, as modified by the Legislative Instrument;
- (c) as at the date of this notice, MDR has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to MDR; and
 - (ii) section 674 of the Corporations Act as it applies to MDR;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) or 708AA(9) of the Corporations Act, which is required to be set out under section 708AA(7) of the Corporations Act; and
- (e) the potential effect of the issue of the New Shares pursuant to the Entitlement Offer on the control of MDR and the consequences of that effect will depend on a number of factors, including the extent to which Shareholders take up New Shares under the Entitlement Offer and are described below:
 - (i) if all Shareholders take up their entitlements under the Entitlement Offer, and the Placement is undertaken to full capacity then new investors¹ may receive 61,936,653 New Shares (being 15.1% of shares on issue in MDR following the Placement and Entitlement Offer)²;
 - (ii) if 50% of Shareholders take up their entitlements under the Entitlement Offer, then new investors³ may receive 111,525,975 New Shares (being 27.3% of shares on issue in MDR following the Placement and Entitlement Offer)⁴ and the interests of those Shareholders who do not take-up their entitlements under the Entitlement Offer will be further diluted;
 - (iii) if 25% of Shareholders take up their entitlements under the Entitlement Offer, then new investors⁵ will receive 136,320,636 New Shares (being 33.3% of shares on issue in MDR following the Placement and Entitlement Offer)⁶ and the interests of those Shareholders who do not take-up their entitlements under the Entitlement Offer will be further diluted; and

¹ Being institutional investors under the Placement.

² Assuming MDR raising the maximum amount under the Entitlement Offer and having 409,061,908 shares on issue.

³ Including institutional investors under the Placement and placement of any shortfall of the Entitlement Offer.

⁴ Assuming MDR raising the maximum amount under the Entitlement Offer and having 409,061,908 shares on issue.

⁵ Including institutional investors under the Placement and placement of any shortfall of the Entitlement Offer.

⁶ Assuming MDR raising the maximum amount under the Entitlement Offer and having 409,061,908 shares on issue.

- (iv) if no Shareholders take up their entitlements under the Entitlement Offer, then new investors⁷ will receive 161,115,297 New Shares (being 39.4% of the shares on issue in MDR following the Placement and Entitlement Offer)⁸ and the interests of all Shareholders will be further diluted.

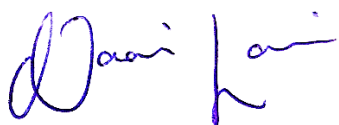
Notwithstanding the above, MDR is targeting a raise of AUS \$45.0 million under the Placement and Entitlement Offer (with AUD \$35.0 million being the minimum amount to be raised under the Placement and institutional component of the Entitlement Offer). Further, MDR does not currently have an expectation of placing any shortfall under the Entitlement Offer, other than to existing shareholders who subscribe for additional shares under the Entitlement Offer. Under these scenarios or a scenario where MDR elects to raise an additional AUD \$5.0 million in capital, if no Shareholders take up their entitlements under the Entitlement Offer, then new investors⁹ may receive:

Total Raised (AUD \$)	Shares on issue	Shares to be issued	Total Shares after issue	Dilution Impact
35,000,000	247,946,611	77,777,778	325,724,389	23.9%
45,000,000	247,946,611	100,000,000	347,946,611	28.7%
50,000,000	247,946,611	111,111,111	359,057,722	30.9%

MDR's Shareholders who are not Eligible Shareholders (being foreign Shareholders to whom an Entitlement Offer will not be made) are not entitled to participate in the Entitlement Offer and their percentage holding in MDR will be diluted.

An Appendix 3B with respect to the issue of the News Shares under the Entitlement Offer will be lodged with the ASX by MDR shortly.

Yours faithfully,



Naomi Lawrie
Company Secretary
MedAdvisor Limited

⁷ Including institutional investors under the Placement and placement of any shortfall of the Entitlement Offer.

⁸ Assuming MDR raising the maximum amount under the Entitlement Offer and having 409,061,908 shares on issue.

⁹ Including institutional investors under the Placement and placement of any shortfall of the Entitlement Offer.