

ASX ANNOUNCEMENT

ADMEDUS SECURES STRATEGIC INVESTOR

Admedus Limited (ASX:AHZ) (“**Admedus**” or “**Company**”) is pleased to announce that Hong Kong based strategic investor, Star Bright Holding Ltd (together with its associates) (“**Star Bright**”), will increase its interest¹ in the Company up to 19.99%, with Star Bright to nominate up to four representatives to join the Admedus Limited board.

Key points:

- Cornerstone strategic investor secured, raising up to \$7.7 million
- \$5 million unsecured loan facility entered into with Star Bright, repaying Partners For Growth facility
- Company restructure and recapitalisation plan in development

This additional investment follows Star Bright’s recent subscription for 1,666,667 shares for \$500,000 as part of Admedus’ Placement in May 2018. As previously announced, Admedus is also negotiating with Star Bright in respect of a long-term funding agreement for Admedus Immunotherapies and has entered a Memorandum of Understanding for a 60% share of the vaccines business for an initial investment of \$18 million.

Star Bright is a Hong Kong based private investment company 100% owned by Madam Zhang Lishan whose business interests are primarily global asset and equity investments, including in the medical and healthcare industry, with a mission to support the long-term development of global medical care and to help patients in need.

Madam Zhang’s Star Bright recognises the great potential of Admedus’ ADAPT technology to deliver tangible benefits for the global medical community and its ability to improve the lives and health outcomes of patients. Star Bright shares Admedus’ strategic vision to develop and deliver innovative health solutions for a range of serious and chronic diseases.

Admedus welcomes Star Bright’s additional interest and the opportunity to work more closely with them in a productive commercial partnership.

¹ ASX Announcement, 10 May 2018, *Admedus secures funding through further investment*

Admedus Limited

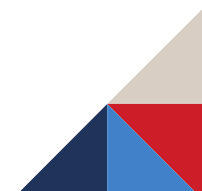
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Placement to Star Bright

Star Bright has agreed to subscribe for up to an additional 68,889,502 shares in Admedus raising up to \$7,685,527, structured as follows:

- Placement of 42,599,866 shares at a price of \$0.10 per share raising \$4,259,987, issued on 22nd August 2018; and
- Placement of 26,289,636 shares at a price of \$0.1303² raising \$3,425,540, yet to be issued.

Following the issue of all placement shares, Star Bright and its associates will hold 19.99% of the Company's issued shares.

Star Bright has agreed not to sell the shares acquired under the placement for 12 months from issue date (except sales that can be made without any disclosure under the *Corporations Act, 2001* (Cth)).

Board composition

In recognition of Star Bright's commitment to providing funding for the Company, three directors nominated by Star Bright will join the Board of Admedus. Admedus will advise the Australian Securities Exchange of Star Bright's nominee directors at the appropriate time.

Admedus CEO Wayne Paterson welcomed today's announcement,

"Having already indicated a commitment to provide \$18 million of long-term funding to our Immunotherapies business, and having participated in the last capital raise, Star Bright have demonstrated their belief and interest in our Company. Madam Zhang, and her Company, are aligned with our mission to deliver clinically superior solutions to patients and we welcome a significant strategic investor onto our register."

"Madam Zhang, Chairman of Star Bright, expressed to me that she 'shares our enthusiasm' for the clinically superior products that we manufacture and the impact these have on improving patient outcomes. She welcomes the opportunity to continue to work with our Company and its Board to drive and expand the business into new products and regions," he said.

As well as their equity investment, Star Bright has indicated their interest in helping to establish an Admedus commercial base in China in the near term that will accelerate the Company's business opportunities in the People's Republic of China.

² Under ASX Listing Rule 7.1A.3, the issue price of this tranche of shares must be no less than 75% of the volume weighted average market price of Admedus' shares over the 15 trading days before the date of issue (\$0.1737).

Loan facility from Star Bright

Admedus has also entered into a \$5 million unsecured loan facility with Star Bright.

The terms of the facility are:

- 3-year term
- 5% per annum coupon, payable quarterly
- If shareholder approval is obtained, coupon payments can be made by Admedus issuing shares at the then prevailing VWAP during the 5 trading days prior to the interest payment date
- Purpose of loan is to repay the existing term loan from Partners For Growth (PFG) in full, with any remainder to be used for working capital
- If Admedus closes a pro rata entitlement offer within three months (which is the Company's intention), the amount of the loan equal to the dollar amount of Star Bright's and its associates' entitlement that they take up under that offer is repayable at that time
- The Company has the discretion to fully repay the loan at any time after three months and prior to maturity, subject to a 3% prepayment fee

The PFG loan (which had an interest rate of 11.75%) was fully repaid on 28 August 2018 and the security granted under that loan will now be released.

Admedus CFO Catherine Costello commented that, "the loan negotiated with Star Bright is on superior terms to the loan with PFG and, if shareholder approval is obtained for payment of the interest in shares, could reduce the Company's financing cash burn by approximately \$600k a quarter while providing a clean exit for PFG's debt."

Recapitalisation of the company

Admedus is continuing to develop a corporate restructuring process, as well as a recapitalisation plan which will allow participation by its existing shareholders. The placement to Star Bright and the loan facility from Star Bright are central components of the re-stabilisation of the Company's financial position. More details of the complete recapitalisation strategy will be communicated to shareholders in due course in accordance with regulatory requirements. The Company will stay in voluntary suspension until it is ready to announce the broader recapitalisation plan.

ENDS

About Admedus Limited

Admedus (ASX:AHZ) is a medical technologies company delivering clinically superior solutions that help healthcare professionals create life-changing outcomes for patients. Our focus is on investing in and developing next generation technologies with world class partners, acquiring strategic assets to grow product and service offerings and expanding revenues from our existing medical sales and distribution business. The company has assets from research & development through clinical development as well as sales, marketing and distribution.

Website: www.admedus.com

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