

28.11.2018

# ASX ANNOUNCEMENT

ASX Market Announcements  
Australian Securities Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

## Admedus Limited (ASX:AHZ)

### ADMEDUS LAUNCHES RIGHTS ISSUE

- Admedus announces a pro rata renounceable partially underwritten entitlement offer to raise up to \$20.2 million before costs.
- Based on underwriting and commitments received by Admedus, the Entitlement Offer is expected to raise a minimum cash amount of \$12 million after the payment of underwriter fees and repayment of a \$5 million loan to major shareholder Star Bright
- Offer of 5 new fully paid ordinary shares for each 7 shares currently held with an attaching option for each new shares issued.
- The offer price of \$0.08 per New Share represents a discount of:
  - 40.74% to the last traded price of shares on ASX on 1 August 2018 of \$0.135; and
  - 38.6% to the volume weighted average issue price paid by Star Bright Holding Ltd under the recent placement completed on 5 September 2018 of \$0.112.
- Attaching options will be listed with an 8 cent exercise price and three year exercise period.

Admedus Limited (ASX:AHZ) (**Admedus** or **Company**) is pleased to announce that it is undertaking a pro rata renounceable partially underwritten offer of 5 new fully paid ordinary shares for each 7 shares currently held (**New Shares**) at an issue price of \$0.08 per New Share. Each New Share will be accompanied by an attaching listed option with an exercise price of \$0.08 per option that expires three years from the date of issue (**New Options**). The offer of New Shares and New Options (**Entitlement Offer**) will raise up to \$20.2 million.

#### Admedus Limited

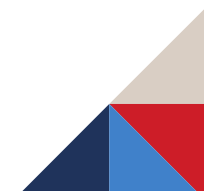
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Admedus CEO Wayne Paterson commented,

*The Entitlement Offer marks an important step in Admedus' recapitalisation plan that it has been working towards since August 2018. The capital raised from this rights issue will provide funding for Admedus to consolidate and further develop the ADAPT® portfolio and position itself for the development of new products in 2019. Investors should gain confidence from the funding that has been committed to the Entitlement Offer through underwriting from majority shareholder Star Bright Holding Limited and SIO Partners, LLC, a U.S. based healthcare dedicated institutional investment fund*

### **Details of the Entitlement Offer**

Shareholders who are eligible to participate in the Entitlement Offer are those shareholders with a registered address on Admedus' share register within Australia, New Zealand, Hong Kong, Singapore or the Philippines, as at 7:00 pm (AEDT) on Monday, 3 December 2018 (**Record Date**), and are eligible under all applicable securities laws to receive an offer under the Entitlement Offer (**Eligible Shareholder**).

Eligible Shareholders may subscribe for New Shares at an issue price of \$0.08 per New Share. New Shares under the Entitlement Offer will be fully paid and rank equally in all respects with existing ordinary shares from issue. Entitlements are renounceable, meaning that if Eligible Shareholders do not wish to take up their entitlements, they may sell all or part of their entitlements on ASX between Friday, 30 November 2018 and Thursday, 6 December 2018 (inclusive) or transfer all or part of their entitlement directly to another person.

The Entitlement Offer will include a shortfall facility, under which Eligible Shareholders who take up their full entitlement will be able to apply for additional New Shares and New Options that are not taken up by other Eligible Shareholders.

Admedus will notify shareholders as to whether they are eligible to participate in the Entitlement Offer. A copy of the Prospectus will be made available on the ASX at the date of this announcement, and Admedus will despatch the Prospectus and personalised acceptance forms to Eligible Shareholders on Tuesday, 4 December 2018.

Further details of the Entitlement Offer will be included in the Prospectus. Eligible Shareholders should read the Prospectus carefully and in its entirety before deciding whether to participate in the Entitlement Offer.

### **Underwriting arrangements**

The Entitlement Offer is partially underwritten by several investors for \$9.1 million before underwriter fees. This includes \$6 million in underwriting from SIO Partners, LP (**SIO**) (as detailed below) and major shareholder Star Bright Holding Limited (**Star Bright**), which has agreed to provide underwriting for an amount of \$1 million and will also take up its Entitlement in full under the Entitlement Offer (of approximately \$4 million) (as detailed below).

Up to a further \$6.3 million in underwriting will be provided by SIO if Admedus does not raise sufficient funds under the Entitlement Offer so that a minimum net cash amount (being gross

proceeds less underwriting fees and repayment of the Star Bright loan) of approximately \$12 million has been raised.

#### *SIO underwriting*

SIO has agreed with Admedus to underwrite the Entitlement Offer for \$6 million and has also agreed to act as a funder of last resort and provide further underwriting (up to \$6.3 million) if Admedus does not receive a net cash amount of \$12 million under the Entitlement Offer.

The fee structure for the underwriting arrangement with SIO is tiered, as follows:

- for the initial \$6 million in underwriting (**Initial Underwriting**), SIO will be paid a fee of 3% (exclusive of GST); and
- if SIO is required to provide further underwriting in excess of \$6 million (**Extra Underwriting**) because the Entitlement Offer will not raise a net cash amount of \$12 million, SIO will be paid a fee of 12.5% (exclusive of GST) on the Initial Underwriting instead of 3% and a fee of 25% (exclusive of GST) on whatever amount SIO takes up over \$6 million.

This underwriting structure ensures that Admedus will raise at least \$12 million in net cash under the Entitlement Offer, as the amount of Extra Underwriting that SIO will provide is such amount so as to ensure that net cash of \$12 million is raised. Based on current commitments and other underwriting, the maximum amount of Extra Underwriting from SIO is \$6.3 million.

Based on the current commitments and underwriting already received by the Company, if a further \$4.2 million is raised from other Shareholders or investors under the Entitlement Offer, SIO will only be underwriting the initial \$6 million and the higher fees will not be payable.

#### *Star Bright underwriting*

Star Bright has agreed to take up its entitlement of approximately \$4 million under the Entitlement Offer, and underwrite the Entitlement Offer for \$1 million. Star Bright will receive a fee of 3% (exclusive of GST) on the underwritten amount of \$1 million.

Admedus notes that the proceeds of the Entitlement Offer will be used to repay a \$5 million loan currently owed to Star Bright.

#### *Other underwriting*

Underwriting has also been provided by CVI Investments Inc, which has agreed to underwrite the Entitlement Offer for \$2 million (for a 3% fee) and two directors of Admedus, Chairman John Seaberg and CEO Wayne Paterson, who have agreed to take up their respective entitlements and underwrite the Entitlement Offer for a total amount of \$50,000 each (the directors are not paid a fee for their underwriting).

Each of the underwriting agreements are binding however customary with these arrangements, each of the underwriting agreement contains termination events which, if

triggered, allow the underwriter to withdraw their commitment. These termination events are listed in the schedule to this announcement.

Further details of the underwriting arrangements are contained in the Prospectus that is being lodged with ASX on the date of this announcement and Admedus encourages all existing and prospective shareholders to carefully consider the underwriting arrangements as detailed in the Prospectus.

### Important dates

Activity	Date (AEDT unless otherwise stated)
Announcement of Entitlement Offer	Wednesday, 28 November 2018
Lodgement of Prospectus with ASIC and ASX	Wednesday, 28 November 2018
Entitlements begin trading on ASX on deferred settlement basis	Friday, 30 November 2018
Shares begin to trade on an "ex-entitlement" basis	Friday, 30 November 2018
Record Date for determining Eligible Shareholders under the Entitlement Offer	7:00 pm on Monday, 3 December 2018
Entitlement Offer opens and Prospectus and Entitlement and Acceptance Forms sent to Eligible Shareholders	Tuesday, 4 December 2018
Trading of Entitlements ends	Thursday, 6 December 2018
Entitlement Offer closes ( <b>Closing Date</b> )	5:00 pm on Thursday, 13 December 2018
Issue Date – allotment and issue of New Shares and New Options issued under the Entitlement Offer	Monday, 17 December 2018
Normal trading of New Shares and New Options issued under Entitlement Offer	Tuesday, 18 December 2018
Despatch of holding statements	Wednesday, 19 December 2018

This timetable is indicative only and subject to change. The directors of Admedus may vary these dates subject to the ASX Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares and New Options. The directors of Admedus also reserve the right not to proceed with the whole or part of the Entitlement Offer any time before the allotment and issue of the New Shares and New Options. In that event, the relevant application monies (without interest) will be returned in full to applicants for New Shares and New Options.

The commencement of quotation of New Shares and New Options is subject to the discretion of ASX.

Cooling off rights do not apply to an investment in New Shares and New Options. You cannot withdraw your application once it has been accepted.

## **Schedule**

### **Termination events in underwriting agreements**

The Underwriting Agreements with each of the underwriters contain rights for the underwriters to terminate if the following events occur (paragraphs 15 to 30 below only apply to the SIO underwriting agreement):

- (1) the All Ordinaries Index as published by the ASX is at any time after the date of the Underwriting Agreement 15% or more below its respective level as at the close of business on the business day prior to the date of the Underwriting Agreement and remains so for three consecutive trading days prior to completion of the Entitlement Offer;
- (2) the Company does not lodge the Prospectus or any accompanying documents when intended under the timetable for the Entitlement Offer or the Prospectus or any accompanying document or the Entitlement Offer is withdrawn by the Company;
- (3) the New Shares and New Options have not been granted "Official Quotation" as that term is defined in the ASX Listing Rules when intended under the timetable, or having been granted, is subsequently withdrawn, withheld or qualified;
- (4) the Prospectus or any accompanying documents do not contain all of the information that investors and their professional advisers would reasonably require to make an informed assessment of the effect of the Entitlement Offer on the Company and the rights and liabilities attaching to the New Shares and New Options;
- (5) there is a statement in the Prospectus or any accompanying document that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus or any accompanying document (having regard to the provisions of sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus or any accompanying document becomes or misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus or any accompanying document is or becomes misleading or deceptive or likely to mislead or deceive;
- (6) Admedus is prevented from allotting New Shares and New Options within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (7) any person who has previously consented to the inclusion of their name in the Prospectus withdrawing that consent;
- (8) an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus and that application has not been dismissed or withdrawn by the date on which the Underwriters are to be notified of any shortfall;
- (9) ASIC gives notice of its intention to hold a hearing under section 739 or any other provision of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus;
- (10) the Takeovers Panel makes a declaration that circumstances in relation to the Company's affairs are unacceptable circumstances under Part 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (11) any authorisation which is material to anything referred to in the Prospectus and accompanying documents is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;

- (12) an insolvency event occurs in respect of Admedus or one of Admedus' subsidiaries;
- (13) Admedus defaults or breaches any material term, condition, covenant or undertaking of the Underwriting Agreement which it fails to remedy within 5 business days of receiving notice of such from the Underwriter, or the default or breach is not capable of remedy; or
- (14) a force majeure event affects Admedus' business or any obligation under the Underwriting Agreement for a period in excess of 14 days.
- (15) the Underwriting Agreements with the Underwriters other than SIO are terminated, withdrawn, revoked or rendered void, voidable, illegal or otherwise unenforceable;
- (16) a certificate is not provided by the Company to SIO that certifies that, as at the date of the certificate to the best of the Company's knowledge, the Company has complied with all obligations on its part to be performed under the SIO Underwriting Agreement and the Entitlement Offer, that none of the termination events in the SIO Underwriting Agreement have occurred, and that the representations and warranties in the SIO Underwriting Agreement are true and correct;
- (17) an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Entitlement Offer or the Prospectus and that application is not withdrawn within two business days after it is made or otherwise before the date on which the shares are to be issued to the underwriter;
- (18) ASIC commences an investigation or hearing under Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth) in relation to the Entitlement Offer or the Prospectus which is not withdrawn within two business days after it is made or otherwise before the date on which the shares are issued;
- (19) an event specified in the SIO Underwriting Agreement is delayed by two or more business days (other than delay caused solely by SIO) without the prior consent of SIO;
- (20) a representation or warranty made or given by the Company is breached or proves to be untrue, incorrect or misleading or deceptive;
- (21) a law, policy or regulation is introduced in Australia that prohibits the Entitlement Offer;
- (22) there is a change or termination of the chief executive officer of the Company;
- (23) the Company fails to comply with a provision of its constitution, the Listing Rules, the Corporations Act, applicable laws or a requirement, order or request made by or on behalf of ASIC, ASX or any other government agency which, in SIO's reasonable option, has or is likely to have a material adverse effect on the Entitlement Offer;
- (24) any adverse change occurs or is likely to occur in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company from the position disclosed in the Prospectus in the form on the day it is lodged or as most recently disclosed to ASX before the date of the SIO Underwriting Agreement;
- (25) there is a disruption in financial markets affecting commercial banking activities or trading in quoted securities for more than one trading day;
- (26) the Company, any of its Directors or a senior executive is charged in relation to any fraudulent conduct, whether or not in connection with the Entitlement Offer;
- (27) a Director or a senior executive is charged with an indictable offence;
- (28) any government agency commences public proceedings against any Directors of the Company in that capacity;

- (29) any Director is disqualified from managing a corporation under Part 2D.6 of the Corporations Act; or
- (30) hostilities not presently existing commence or a major escalation in existing hostilities occurs, or a declaration is made of war or a major terrorist act is perpetrated involving any one or more of the United States of America, Australia, any member of the European Union, Japan, Hong, Kong, the Peoples Republic of China, Iraq, North Korea, Syria and the United Kingdom.

**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](http://www.admedus.com)

Facebook: [www.facebook.com/Admedus](http://www.facebook.com/Admedus)

Twitter: @Admedus

*For more information, please contact:*

#### **Share Registry**

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