

PROBIOTEC LIMITED

ACN 075 170 151

Notice of Extraordinary General Meeting of the Company
to be held at:

Date	12 April 2021
Time	10.00am (AEST)
Place	Virtual Meeting via Zoom (see details later in Notice)



This is an important document

If you are in any doubt about how to deal with this document, please consult your legal, financial or other professional adviser.

Notice of Extraordinary General Meeting

Notice is given that an Extraordinary General Meeting (“**EGM**”) of Shareholders of Probiotec Limited (the “**Company**”) will be held online via Zoom on **12 April 2021 at 10.00 am** (AEST).

In light of current travel restrictions and the limitations on public gatherings in place at the date of this Notice, the board of Directors of the Company (“**Board**”) has decided that the EGM will be held entirely online, via Zoom. The Board encourages Shareholders to monitor the ASX and Company websites for updates (if any) after the issue of this Notice.

Zoom Meeting Details

The EGM will be streamed live via an online platform. To participate you will need a desktop or mobile/tablet device with internet access. When you log onto the online platform to register to attend the EGM, you will need to provide your details (including SRN or HIN) to be verified as a Shareholder.

To register for the Meeting please click the link below:

https://zoom.us/webinar/register/WN_I7LLVLGmQpi1Vi3X8KRc0Q

After registering, you will receive a confirmation email containing information about joining the webinar. For further details and instructions, please see the Virtual Meeting Guide at the rear of this document.

Special Business

1. RESOLUTION 1: APPROVAL OF FINANCIAL ASSISTANCE

To consider, and if thought fit, to pass the following **Special Resolution**:

“That for the purposes of sections 260A and 260B(2) of the Corporations Act 2001 (Cth), approval is given for the financial assistance to be provided to the Company by each of Multipack-LJM, LJM Marketing Services and LJM (NSW) in connection with the acquisition of all of the ordinary shares in the capital of Multipack-LJM and LJM Marketing Services, as described in the Explanatory Statement accompanying this Notice.”

Ordinary Business

2. RESOLUTION 2: RATIFICATION OF PRIOR ISSUE OF SHARES TO MULTIPACK-LJM VENDORS IN CONNECTION WITH THE MULTIPACK-LJM ACQUISITION

To consider, and if thought fit, to pass the following **Ordinary Resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue by the Company of 3,684,536 Shares on 31 December 2020 in connection with the acquisition of all of the ordinary shares in the capital of Multipack-LJM and LJM Marketing Services, and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

3. RESOLUTION 3: RATIFICATION OF AGREEMENT TO ISSUE DEFERRED CONSIDERATION SHARES TO MULTIPACK-LJM VENDORS IN CONNECTION WITH THE MULTIPACK-LJM ACQUISITION

To consider, and if thought fit, to pass the following **Ordinary Resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the agreement entered into by the Company to issue up to 7,532,294 Shares as deferred consideration in lieu of a cash payment (should the Company elect to do so) in connection with the acquisition of all of the ordinary shares in the capital of Multipack-LJM and LJM Marketing Services, and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

BY ORDER OF THE BOARD

Dated 24 February 2021

Jared Stringer

Company Secretary

1 **Defined Terms**

Capitalised terms used in this Notice (including those used in the resolutions set out in this Notice) have, unless otherwise defined, the same meanings as set out in the Glossary of Terms in the Explanatory Statement attached to this Notice.

2 **Materials accompanying this Notice**

The following materials accompany this Notice:

- (a) the Explanatory Statement setting out details relevant to the items of business set out in this Notice;
- (b) a Proxy Form; and
- (c) Virtual Meeting Guide.

3 **Voting and required majority – Corporations Act**

- (a) In accordance with section 249HA of the Corporations Act:
 - (i) for **Resolution 1** to be effective:
 - (A) not less than 28 days written notice specifying the intention to propose the resolution has been given; and
 - (B) the resolution must be passed by more than 75% of all the votes cast by Shareholders entitled to vote on the resolution (whether in person or by proxy, attorney or representative); and
 - (ii) for **Resolutions 2 and 3** to be effective:
 - (A) not less than 28 days written notice specifying the intention to propose the resolutions has been given; and
 - (B) each resolution must be passed by more than 50% of all the votes cast by Shareholders entitled to vote on the resolutions (whether in person or by proxy, attorney or representative).
- (b) Subject to paragraph 4 below, on a show of hands every Shareholder has one vote and, on a poll, every Shareholder has one vote for each Share held.

4 **Shareholders Eligible to Vote**

Pursuant to regulation 7.11.37 of the Corporations Regulations 2001, the Board has determined that the shareholding of each Shareholder for the purposes of ascertaining their voting entitlements at the Meeting will be as it appears in the Company's register of Shareholders at 7.00pm (AEST) on Saturday 10 April 2021 ("**Effective Time**").

5 **Voting online at the virtual Meeting**

Given the restrictions imposed by the Australian and Victorian Governments in response to COVID-19, it will not be possible to attend the Meeting in person. Accordingly, the Meeting will be held online via Zoom.

When you register for the Meeting, you will be asked to provide your details (including SRN or HIN) to be verified as a Shareholder or proxyholder (as applicable).

All resolutions considered at the Meeting will be decided by poll based on proxy votes received prior to the commencement of the Meeting and votes cast via an online poll during the Meeting.

More information about how to use the Zoom platform (including how to vote online during the Meeting) is available in the Virtual Meeting Guide at the rear of this document and will

be lodged with ASX. If you intend to attend the Meeting, including if you intend to vote online during the Meeting, please ensure that you register in advance.

Whilst live voting will be available, Shareholders are still strongly encouraged to submit their votes by proxy to ensure that their votes are counted. Instructions on how to submit votes by proxy are contained within the “Proxies and Representatives” section below.

6 Proxies and Representatives

- (a) All Shareholders at the Effective Time who are entitled to attend at the EGM may appoint a proxy for that purpose.
- (b) A proxy need not be a Shareholder of the Company.
- (c) Each Shareholder who is entitled to cast 2 or more votes at the EGM may appoint up to 2 proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a Shareholder does not specify the proportion or number of that Shareholder’s votes each proxy may exercise, each proxy will be entitled to exercise half of the votes. An additional Proxy Form will be supplied by the Company on request.
- (d) If a proxy is given by a body corporate, a Proxy Form must be executed in writing under the common seal of the corporation or otherwise in accordance with section 127 of the Corporations Act or signed by an attorney.
- (e) If a proxy is given by a natural person, a Proxy Form must be executed under the hand of that person or that person’s attorney.
- (f) To be effective, the Proxy Form and the power of attorney or other authority (if any) under which it is signed or a certified copy, must be received by the Company at least 48 hours before the time for holding of the Meeting or any adjourned Meeting.

by hand to: Boardroom Pty Limited, Level 12, 225 George Street Sydney NSW 2000

by post to: Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia

by fax to: +61 2 9290 9655

or online at: <https://www.votingonline.com.au/pbpegm2021>

- (g) Any Proxy Form received after this deadline (including at the Meeting) will be treated as invalid.
- (h) A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction.
- (i) If a Shareholder appoints the Chairperson as the Shareholder’s proxy and does not specify how the Chairperson is to vote, the Chairperson will vote, as proxy for that Shareholder, in favour of / against each resolution as set out in the Explanatory Statement.
- (j) A Shareholder that is a body corporate may appoint an individual as its representative to exercise all or any of the powers the body corporate may exercise at the Meeting. The appointment may be a standing one.

Please refer to the Proxy Form accompanying this Notice for more information.

Explanatory Statement

1 General

This Explanatory Statement has been prepared for the information of Shareholders in connection with the Extraordinary General Meeting (“**EGM**”) of the Company to be held online on 12 April 2021 at 10.00am (AEST). It forms part of the Notice and must be read together with the items of business.

2 Resolution 1 – Approval of Financial Assistance

2.1 Background

This section 2.1 of the Explanatory Statement has been prepared for the purpose of section 260B(4) of the Corporations Act in connection with Resolution 1, which is proposed to be passed as a Special Resolution of the Company for the purposes of section 260B(2) of the Corporations Act.

As previously announced on 10 November 2020, the Company entered into an agreement to acquire 100% of the issued capital in LJM Marketing Services and Multipack-LJM (each a “**Target**”) (the “**Transaction**”). The Transaction completed on 31 December 2020.

Immediately following the Transaction, the Company became the ultimate holding company of each Target and LJM (NSW), a subsidiary of Multipack-LJM (together, the “**Additional Guarantors**”).

The Company’s main financier is the Commonwealth Bank of Australia (the “**Lender**”) and the Company has facilities with the Lender documented under a facility agreement originally dated 26 July 2019 (the “**Facility Agreement**”).

In order to assist the financing of the cash consideration for the Transaction and for ongoing working capital purposes, the Company increased the amount of the debt facilities made available under the Facility Agreement to A\$80,200,000, with A\$40,000,000 advanced by the Lender on 31 December 2020 to the Company to fund the Transaction.

The balance of the cash component of the purchase price payable at completion by the Company in connection with the Transaction was settled in cash by existing cash reserves.

It is a condition of the Facility Agreement that the Company procure that the Additional Guarantors provide in favour of the Lender:

- (a) an accession to the Facility Agreement as a “Guarantor” (as that term is defined in the Facility Agreement);
- (b) a general security deed granted over all of its assets, present and after-acquired property and undertaking (“**General Security Deed**”);
- (c) mortgages of lease to be granted by the relevant Additional Guarantor in respect of the following properties:
 - (i) 22B Hanson Place, Eastern Creek Business Park, Honeycomb Drive, Eastern Creek, NSW;
 - (ii) 15-31 Americain Way, Dandenong South, VIC; and
 - (iii) 81A Prosperity Way, Dandenong South, VIC;(together with General Security Deed, the “**Securities**”);
- (d) unlimited cross-guarantees and indemnities (pursuant to which each Additional Guarantor is jointly and severally liable for all of the liabilities and obligations of

the Company with respect to the Facility Agreement and each other related debt financing document);

- (e) costs provisions, representations and warranties, covenants, restrictive undertakings and indemnities for the benefit of the Lender; and
 - (f) such other covenants and security interests in favour of the Lender as may need to be provided under or in connection with the Facility Agreement,
- (collectively, the “**Proposed Financial Assistance**”).

2.2 Financial Assistance

The actions set out at paragraphs (a) to (f) in section 2.1 above constitute the giving of financial assistance by each of the Additional Guarantors in connection with the acquisition of shares in the Targets as part of the Transaction within the meaning of Part 2J.3 of the Corporations Act.

Section 260A of the Corporations Act provides that a company may financially assist a person to acquire shares in the company if:

- (a) giving the assistance does not materially prejudice the interests of the company or its shareholders, or the company’s ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B of the Corporations Act; or
- (c) the assistance is exempted under section 260C of the Corporations Act.

Section 260B(1) of the Corporations Act requires financial assistance to be approved by a Special Resolution passed at a general meeting of the company giving the financial assistance. It is intended that the Company (as the sole shareholder of each Target) and Multipack-LJM (as the sole shareholder of LJM (NSW)) will approve by unanimous resolutions the giving of the Proposed Financial Assistance, in accordance with section 260B(1) of the Corporations Act.

In addition, under section 260B(2), where an entity is a subsidiary of a listed domestic corporation immediately after the relevant acquisition, the financial assistance must also be approved by a Special Resolution passed at a general meeting of that corporation. Given that the Additional Guarantors became subsidiaries of the Company on completion of the Transaction, the financial assistance must also be approved by a Special Resolution passed at a general meeting of the Company.

Accordingly, the Company is seeking Shareholder approval as a Special Resolution to approve the giving of the Proposed Financial Assistance.

2.3 Why is the Company seeking approval for the financial assistance?

As noted above, the Transaction was funded in part by the financing provided by the Lender under the Facility Agreement, and the terms of the Facility Agreement require that the Additional Guarantors become guarantors under the Facility Agreement and provide the Securities. The granting of the Proposed Financial Assistance will therefore enable the Company and its subsidiaries to comply with their obligations under the Facility Agreement.

If the Additional Guarantors do not accede as guarantors to the Facility Agreement and/or do not provide the Securities, a default may occur under the Facility Agreement and may result in the Lender requiring immediate repayment of all amounts owing under or in connection with the Facility Agreement.

The Directors of each Additional Guarantor consider that the giving of the Proposed Financial Assistance is in the best interests of the Additional Guarantor and its shareholders for the following reasons:

- (a) the Proposed Financial Assistance will enable the Company and each Additional Guarantor to comply with their obligations under the Facility Agreement and to ensure that the finance available under it remains available. If such obligations are not complied with, the conditions to drawdown of the funding under the Facility Agreement will not be met and funding under the Facility Agreement may not be made available, which would jeopardise the ability for each Additional Guarantor to meet its working capital requirements; and
- (b) as a result of becoming owned by the Company, directly or indirectly, each Additional Guarantor will have improved access to group cashflows and will benefit in general from its alignment with the Company and the Company's other subsidiaries.

The requirement for the Additional Guarantors to accede as guarantors and grant security is considered customary in secured financial transactions of this nature.

2.4 Effect of the proposed financial assistance

Under the terms of the provision of the Proposed Financial Assistance, the Company guarantees amounts owed under the Facility Agreement and grants security for such obligations. This means:

- (a) the operations of each Additional Guarantor will be restricted by the representations and undertakings given by it under the Facility Agreement and other arrangements relating to the Proposed Financial Assistance;
- (b) following an event of default under the Facility Agreement, the Lender may enforce or make a demand under the Facility Agreement or other arrangements relating to the Proposed Financial Assistance, including by requiring immediate repayment of the amounts due under the Facility Agreement; and
- (c) an event of default under the Facility Agreement, or an enforcement or demand being made under the Securities or other arrangements relating to the Proposed Financial Assistance, may result in:
 - (i) the appointment of a receiver to an Additional Guarantor;
 - (ii) the winding up of an Additional Guarantor;
 - (iii) the sale by the Lender of the assets of an Additional Guarantor subject to the Securities or other security; and/or
 - (iv) the execution of a judgment for moneys owing under the Facility Agreement and/or other arrangements relating to Proposed Financial Assistance,

any of which actions may result in a return to each Additional Guarantor (and ultimately its shareholders) significantly lower than could have been achieved by the Additional Guarantor had those assets been sold in the ordinary course of business or had the Additional Guarantor continued trading.

A default under the Facility Agreement, and the consequences described above, may also result in counterparties to contracts and leases with the Company having the right to terminate those contracts and leases.

2.5 Disclosure

The Directors consider that this Explanatory Memorandum contains all information known to the Company that would be material to a Shareholder in deciding how to vote on the proposed resolution, other than information which it would be unreasonable to require the Company to include because it has been previously disclosed to the Shareholders of the Company.

2.6 Recommendation and undirected proxies

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

The Chairperson intends to vote undirected proxies in favour of Resolution 1.

3 Resolutions 2 and 3 – Ratification of prior issue of Upfront Consideration Shares and agreement in relation to issue of Deferred Consideration Shares

3.1 Background

As noted in section 2 above, the Transaction completed on 31 December 2020.

The consideration for the Transaction comprises:

- (a) an upfront cash amount of \$32,418,729;
- (b) an upfront issue of 3,684,536 Shares to certain vendors of the Targets (“**Upfront Consideration Shares**”);
- (c) an earn-out cash component payable according to the achievement of a certain target EBITDA set out in the transaction documents; and
- (d) a deferred consideration component payable on the achievement of certain milestones set out in the transaction documents (“**Deferred Consideration**”), which may be paid in Shares in lieu of cash at the election of Probiotec (“**Deferred Consideration Shares**”).

On 31 December 2020 the Company issued the Upfront Consideration Shares to certain vendors of the Targets at an issue price of \$1.88796 per Share.

The issue of the Upfront Consideration Shares and the potential issue of the Deferred Consideration Shares did not require Shareholder approval under ASX Listing Rule 7.1, as the total number of Shares that may be issued is within the Company’s 15% limit under ASX Listing Rule 7.1.

3.2 A summary of the material terms of the Transaction

- (a) Consideration

As set out above in section 3.1, the total maximum consideration payable by the Company under the Transaction is approximately \$52.5 million.

The amount of Deferred Consideration payable to the vendors of the Targets is up to 25% of the total consideration paid for the Targets.

The respective Deferred Consideration amounts are calculated by reference to the achievement by the Targets of certain target earnings before income, tax, depreciation and amortisation, as agreed between the parties. In addition, the entitlement of the relevant vendors of the Targets to any Deferred Consideration is conditional on the employment of certain key persons with the Company, and the vendors of the Targets having complied with their escrow obligations in respect of the Upfront Consideration Shares (see subsection (b) below for further information).

Probiotec may elect to issue Shares to the vendors of the Targets in satisfaction of the Deferred Consideration amounts in lieu of cash, subject to the achievement of the milestones set out above.

(b) Voluntary escrow arrangements for the Upfront Consideration Shares

The vendors of the Targets have agreed to enter into voluntary escrow arrangements with the Company under which they will be restricted from dealing with a portion of the Upfront Consideration Shares for a prescribed time period.

Specifically:

- 100% of the Upfront Consideration Shares are subject to voluntary escrow arrangements for the 12-month period immediately following completion of the Transaction; and
- 50% of the Upfront Consideration Shares are subject to voluntary escrow arrangements for the 12-month period immediately following the first anniversary of completion of the Transaction.

There are limited circumstances in which the Upfront Consideration Shares may be released from escrow before these escrow periods have expired.

(c) Other terms

The maximum number of Shares that may be issued to the vendors of the Targets in aggregate is 11,216,830 Shares, representing a maximum of 15% of the Company's share capital prior to the release of Probiotec's announcement to ASX of the Transactions on 10 November 2020.¹ If this cap is reached, the transaction documents require the Company to settle any outstanding amounts in cash.

3.3 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of equity securities that a listed entity can issue or agree to issue without the approval of its shareholders over any 12-month period up to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Upfront Consideration Shares and the potential issue of the Deferred Consideration Shares do not fit within any of these exceptions and, as the respective issues have not yet been approved by Shareholders, they effectively use up part of the 15% limit in ASX Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12-month period following the date of the Transaction documents.

No Deferred Consideration Shares will be issued unless (a) the relevant milestones are achieved by the Targets; and (b) the Company elects to satisfy any Deferred Consideration in Shares in lieu of cash. However, for the purposes of the ASX Listing Rules, the Deferred Consideration Shares are counted in the calculation of the Company's 15% limit in ASX Listing Rule 7.1 at the time the agreement to issue those securities (being the Transaction documents) was entered into.

¹ Based on the Company having 74,778,870 Shares on issue immediately prior to the 10 November 2020 announcement. This calculation is on an undiluted basis and does not include the impact of: (a) the Upfront Consideration Shares; (b) any Deferred Consideration Shares; and (c) any issue of Shares on or after the 10 November 2020 announcement (whether on exercise or conversion of any securities which the Company had on issue or otherwise).

ASX Listing Rule 7.4 allows the shareholders of a listed entity to approve an issue or an agreement to issue equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under ASX Listing Rule 7.1 and so does not reduce the entity's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1.

To this end:

- (a) Resolution 2 seeks Shareholder approval for the issue of the Upfront Consideration Shares for the purposes of ASX Listing Rule 7.4; and
- (b) Resolution 3 seeks Shareholder approval for the agreement to issue the Deferred Consideration Shares (should the Company elect to do so) for the purposes of ASX Listing Rule 7.4.

If Resolution 2 is passed, the issue of the Upfront Consideration Shares will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date of the Upfront Consideration Shares.

If Resolution 2 is not passed, the issue of the Upfront Consideration Shares will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date of the Upfront Consideration Shares.

If Resolution 3 is passed, the issue of the Deferred Consideration Shares will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date of the Upfront Consideration Shares.

If Resolution 3 is not passed, the issue of the Deferred Consideration Shares will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date of the Upfront Consideration Shares.

The Board considers that it is appropriate and prudent for approval to be sought in respect of the issue of the Upfront Consideration Shares and the potential issue of the Deferred Consideration Shares, and that it will enhance the Company's flexibility to raise further equity capital and issue new securities should the Board consider that it is in the best interests of the Company to do so.

3.4 **ASX waiver for the Deferred Consideration Shares**

ASX has granted the Company a waiver from ASX Listing Rule 7.5.4 to the extent necessary to permit the Company in this Notice not to state that the Deferred Consideration Shares will be issued within 3 months of the date of the Meeting on the following conditions:

- (a) the Deferred Consideration Shares are issued within 60 days after the following dates:
 - 31 December 2021 (being 12 months after completion of the Transaction); and
 - 31 December 2022 (being 24 months after completion of the Transaction);

- (b) the terms and conditions for the issue of the Deferred Consideration Shares are not varied;
- (c) for any annual reporting period during which any of the Deferred Consideration Shares have been issued or any of them remain to be issued, the Company's annual report sets out the number of Deferred Consideration Shares issued in that annual reporting period or the number of Deferred Consideration Shares that remain to be issued and the basis on which the Deferred Consideration Shares may be issued;
- (d) in any half year report or quarterly report for a period during which any of the Deferred Consideration Shares have been issued or remain to be issued, the Company must include a summary statement of the number of Deferred Consideration Shares issued during the reporting period or the number of Deferred Consideration Shares that remain to be issued and the basis on which the Deferred Consideration Shares may be issued; and
- (e) this Notice contains the maximum number of Deferred Consideration Shares to be issued, the full terms and conditions for the issue Deferred Consideration Shares as well as the conditions of the Listing Rule 7.5.4 waiver.

3.5 Information required by ASX Listing Rule 7.5

In accordance with ASX Listing Rule 7.5, the information below is provided to Shareholders:

- (a) in respect of Resolution 2:

The names of the persons to whom the Company issued the Upfront Consideration Shares	Certain vendors of the Targets, being: (a) L.J.M. Nominees Pty Limited; (b) Adam Rawson; and (c) HDJP Pty Ltd.
The number and class of Upfront Consideration Shares the Company issued	3,684,536 Shares.
The date on which the Upfront Consideration Shares were issued	31 December 2020.
The price or other consideration the Company received for the issue of the Upfront Consideration Shares	\$1.88796 per Share.
The purpose of the issue, including the use or intended use of the funds raised by the issue	The Upfront Consideration Shares were issued as part consideration for the acquisition of the Targets under the Transaction. No funds were raised from the issue of the Upfront Consideration Shares.

- (b) in respect of Resolution 3:

The names of the persons to whom the Company will issue the Deferred Consideration Shares	<p>Certain vendors of the Targets, being:</p> <ul style="list-style-type: none"> (a) Jean-Pascal and Detje Marcel; (b) L.J.M. Nominees Pty Limited; (c) Adam Rawson; and (d) HDJP Pty Ltd.
The number and class of Deferred Consideration Shares the Company will issue	<p>The maximum number of Shares that may be issued to the vendors of the Targets in aggregate is 11,216,830 Shares, representing 15% of the Company's share capital prior to the date the Transaction was announced on 10 November 2020.</p> <p>The maximum number of Deferred Consideration Shares that may be issued to the vendors of the Targets is therefore 7,532,294 shares.</p> <p>If this cap is reached, the Company will settle any outstanding Deferred Consideration amounts in cash.</p>
The date on which the Deferred Consideration Shares will be issued	<p>Subject to achievement of the relevant milestones, the Deferred Consideration Shares are payable in two instalments, 60 days after the following dates:</p> <ul style="list-style-type: none"> • 31 December 2021 (being 12 months after completion of the Transaction); and • 31 December 2022 (being 24 months after completion of the Transaction).
The price or other consideration the Company will receive for the issue of the Deferred Consideration Shares	\$1.88796 per Share.
The purpose of the issue, including the use or intended use of the funds raised by the issue	Any Deferred Consideration Shares will be issued as part consideration for the acquisition of the Targets under the Transaction. No funds will be raised from the issue of the Deferred Consideration Shares.
If the securities will be issued under an agreement, a summary of any other material terms of the agreement	Please refer to section 3.2 of this Explanatory Statement.

3.6 Recommendation and undirected proxies

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 2 and 3.

The Chairperson intends to vote undirected proxies in favour of Resolutions 2 and 3.

3.7 Voting exclusion statements

(a) Resolution 2

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of:

- any of the vendors of the Targets who were issued Upfront Consideration Shares; or
- any of their respective associates.

However, this does not apply to a vote cast in favour of Resolution 2 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation by the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

(b) Resolution 3

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- any of the vendors of the Targets who may be issued Deferred Consideration Shares; or
- any of their respective associates.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation by the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and

- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Glossary of Terms

In the Notice and this Explanatory Statement:

Additional Guarantor	has the meaning given to that term in section 2.1 of the Explanatory Statement.
ASX	means ASX Limited ACN 008 624 691 or the financial market operated by ASX Limited, as the context requires.
ASX Listing Rules	means the listing rules of the ASX, as amended from time to time.
Board	means the board of Directors of the Company.
Chairperson	means the chairperson of the EGM.
Company	means Probiotec Limited ACN 075 170 151.
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	means the <i>Corporations Regulations 2001</i> (Cth).
Deferred Consideration	has the meaning given to that term in section 3.1 of the Explanatory Statement.
Deferred Consideration Shares	has the meaning given to that term in section 3.1 of the Explanatory Statement.
Director	means a director of the Company.
Effective Time	Means 7.00pm (AEST) on Saturday 10 April 2021.
EGM or Meeting	means the Extraordinary General Meeting of the Company convened by the Notice.
Explanatory Statement	means this explanatory statement, which forms part of the Notice.
Facility Agreement	has the meaning given to that term in section 2.1 of the Explanatory Statement.
General Security Deed	has the meaning given to that term in section 2.1 of the Explanatory Statement.
Lender	has the meaning given to that term in section 2.1 of the Explanatory Statement.

LJM Marketing Services	means L.J.M. Marketing Services Pty Ltd ACN 116 310 788.
LJM (NSW)	means LJM (NSW) Pty Ltd ACN 150 642 872.
Multipack-LJM	means Multipack-LJM Pty Ltd ACN 100 109 019.
Notice	means the notice of the EGM, including the Explanatory Statement and all annexures to those documents.
Ordinary Resolution	means a resolution passed by more than 50% of all of the votes cast at a general meeting of Shareholders by Shareholders entitled to vote on the resolution (whether in person or by proxy, attorney or representative).
Proposed Financial Assistance	has the meaning given to that term in section 2.1 of the Explanatory Statement.
Proxy Form	means the proxy form accompanying this Notice.
Securities	has the meaning given to that term in section 2.1 of the Explanatory Statement.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of a Share.
Special Resolution	means a resolution passed by more than 75% of all of the votes cast at a general meeting of Shareholders by Shareholders entitled to vote on the resolution (whether in person or by proxy, attorney or representative).
Target	has the meaning given to that term in section 2.1 of the Explanatory Statement.
Transaction	has the meaning given to that term in section 2.1 of the Explanatory Statement.
Upfront Consideration Shares	has the meaning given to that term in section 3.1 of the Explanatory Statement.



Probiotec Limited (“PBP”) Online EGM Guide

Extraordinary General Meeting

12 April 2021

10.00 am

PBP is holding an Extraordinary General Meeting via Zoom

You are invited to follow the instructions below to register and join the meeting

Step 1: Register to attend the EGM

https://zoom.us/webinar/register/WN_I7LLVLGmQpi1Vi3X8KRc0Q

Anyone can join PBP's EGM but only shareholders (or their proxies) are able to vote or ask questions.

If you are a shareholder or a proxy holder, please ensure you enter your SRN or HIN. If you do not then you will not be allowed to ask questions and your live vote will not be counted.

The image shows a screenshot of the Probiotec Webinar Registration form. At the top is the Probiotec logo. Below it, the title "Webinar Registration" is centered. The form includes fields for "First Name", "Last Name", "Email Address", and "Confirm Email Address". There are checkboxes for "Shareholder" and "Visitor", and a field for "SRN or HIN". At the bottom, there are checkboxes for "Intending to vote at Meeting?" and a "Register" button. The form also displays the event details: "PBP 2021 EGM", "Probiotec Limited 2021 Extraordinary General Meeting (Virtual)", and the date "Apr 12, 2021 10:00 AM in Canberra, Melbourne, Sydney".

Step 2: Access your invitation email

After registering, you will receive an email with details of how to join the EGM including a link. If you do not receive an email, check your junk mail and/or complete the registration again.

Step 3: Download Zoom Client

If you already have Zoom installed you can skip this step.

Visit: <https://zoom.us/download>

Or search for Zoom Client Meetings in your browser, iOS App Store or Google play store.

You can also join the EGM by phone, using the details in the registration email.

Step 4: Test your Zoom client prior to the EGM

The EGM is scheduled to commence at 10.00 am on 12 April 2021. You can test your Zoom client by clicking on the link in the invitation email.

For technical issues, please visit the [Zoom Help Centre](#).

Step 5: Join the EGM

Join the EGM by clicking on the link in your invitation email.

We recommend you join the EGM at least 5 minutes before the commencement, to ensure you are able to connect and resolve any potential technical issues.

Note, support for connectivity will not be provided after the commencement of the EGM. If you are unable to join via Zoom, please refer to your invitation email which has dial-in numbers to enable you to join by telephone.

What to do if you have problems joining the EGM:

1. Try restarting your Zoom client.
 2. Revisit your invitation email and ensure you are selecting the correct link to join.
 3. Try another device such as your smartphone. Zoom works on both iPhone and Android devices.
 4. Dial into the EGM by phone on the phone numbers provided in your invitation email.
-

How to vote during the EGM

Please note that only shareholders or proxy holders who have not already submitted votes will be entitled to vote live

Shareholders (who have entered their SRN or HIN during registration) or proxy holders who have not already voted will be entitled to vote when voting is opened by the Chairman at the end of the meeting.

Please ensure you have provided your SRN or HIN when registering your attendance or your vote will be disregarded. You will cast your vote on the voting card via a Zoom poll.

Step 1: Complete the voting card

Towards the end of the meeting, the Chairman will indicate that voting is now open and the voting card will appear on your screen.

There are 3 items to be voted on. Please ensure that for each item you select either:

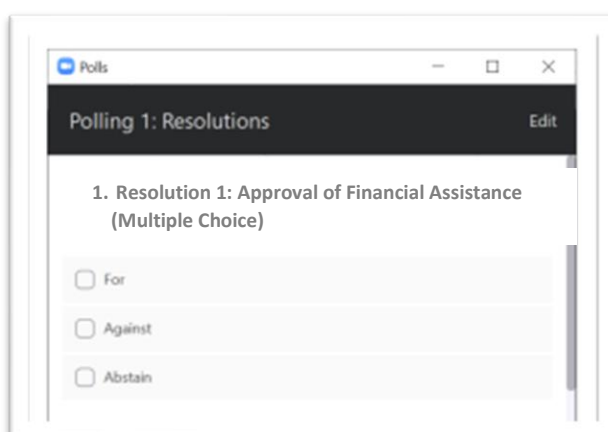
- For;
- Against; or
- Abstain

Use the scroll bar on the right of the poll window to move through the resolutions.

If you have already voted or do not wish to vote, please just click the 'X' on the top right of the Poll window to close it.

If you have already voted via proxy prior to the meeting and then vote again using the voting card during the meeting, your prior vote will not be valid.

After completing all the items in the vote, simply click on the 'Submit' button at the bottom of the Poll window.



All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (AEST) on Saturday, 10 April 2021.**

🖥 TO VOTE ONLINE

📱 BY SMARTPHONE

STEP 1: VISIT <https://www.votingonline.com.au/pbpegm2021>

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (AEST) on Saturday, 10 April 2021.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

🖥 **Online** <https://www.votingonline.com.au/pbpegm2021>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Probiotec Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Extraordinary General Meeting of the Company to be held as a virtual meeting **on Monday 12 April, 2021 at 10.00am (AEST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Approval of Financial Assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of prior issue of shares to multipack	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of agreement to issue deferred consideration shares to Multipack-ljm vendors in connection with the Multipack-ljm acquisition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2021