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Cleansing Notice under sections 708AA(12) and 708A(9) of the Corporations Act 2001 (Cth)

This notice is given by Microba Life Sciences Limited ('Company' or 'Microba') under section 708AA(12) of the *Corporations Act 2001* (Cth) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (Corporations Act)* and section 708A(9) of the Corporations Act.

On 19 October 2023, Microba announced the launch of a A\$20.0 million pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of new fully paid ordinary shares (**Entitlement Offer Shares**) at an offer price of A\$0.23 per Entitlement Offer Share (**Offer Price**).

The Entitlement Offer is comprised of an offer of 1 Entitlement Offer Share for every 4 shares held as at 7.00pm (Sydney time) on Monday, 23 October 2023 by shareholders in Australia, New Zealand and certain other jurisdictions (see further details in the ASX Announcement lodged on 19 October 2023), to raise gross proceeds of A\$20.0 million.

On Thursday, 19 October 2023, Microba also issued 3,631,675 Shares to employees following the exercise of a number of options.

The purpose of this notice is to inform shareholders of changes to the Company's circumstances since its previous notices dated 19 October 2023 and issued under sections 708AA(2)(f) and 708A(5)(e) of the Corporations Act. Namely, that Microba has entered into an Underwriting Agreement with Bell Potter Securities Limited and Morgans Corporate Limited (**Underwriters**, or the **Joint Lead Managers**) to fully underwrite the \$20m Entitlement Offer.

The material terms of the Underwriting Agreement are appended to the ASX Announcement released on Monday, 23 October 2023.

Cleansing Notice under section 708AA(12) of the Corporations Act 2001 (Cth) – Entitlement Offer

The Company confirms the following:

1. the Company will offer the Entitlement Offer Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
2. this notice is given under section 708AA(12) of the Corporations Act, updating its previous section 708AA(2)(f) notice dated 19 October 2023;
3. as at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (b) sections 674 and 674A of the Corporations Act;
4. as at the date of this notice, on the basis of the ASX Announcement made on 23 October 2023, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act.
5. the potential effect that the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors including the number of Entitlement Offer Shares taken up by each eligible shareholder. However, given the Entitlement Offer is now fully underwritten, the Company notes the following:

Structure of the Entitlement Offer and Underwriting

- (a) The number of Entitlement Offer Shares which will be issued under the Entitlement Offer is approximately 87 million Entitlement Offer Shares (subject to rounding of fractional entitlements) to raise approximately A\$20.0 million, equating to approximately 20% of all the issued shares in the Company following completion of the Entitlement Offer.
- (b) The Entitlement Offer will be conducted in two parts, an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**). The results of the Institutional Entitlement Offer were announced to the ASX on 23 October 2023.
- (c) The Company will offer a shortfall oversubscription facility as part of the Retail Entitlement Offer (**Oversubscription Facility**). The key terms of the Oversubscription Facility will be as follows:
 - A. Under the Oversubscription Facility, Eligible Retail Shareholders who take up their entitlement in full (but excluding the Underwriters and those persons in respect of the Company who are described in Listing Rule 10.11.1 to 10.11.5) will be able to apply for additional Entitlement Offer Shares in the Company in excess of their entitlement (**Shortfall Application**), which represents the lower of that number which represents 100% of their Entitlement or \$50,000 worth of Entitlement Offer Shares (**Additional New Share Cap**) subject to the Corporations Act, the ASX Listing Rules and all other applicable laws and regulations; and
 - B. to the extent Shortfall Applications exceed the number of Entitlement Offer Shares available under the facility, the Company will scale back applications:
 - (I) having regard to all relevant circumstances, including the Eligible Retail Shareholder's underlying shareholding at the Record Date and in the event that an application for additional New Shares is received from an Eligible Retail Shareholder which is in excess of the Additional New Share Cap; and
 - (II) to ensure compliance with the ASX Listing Rules, the Corporations Act and all other applicable laws.
- (d) The Entitlement Offer is underwritten by Bell Potter Securities Limited ACN 006 390 772 and Morgans Corporate Limited ACN 010 539 607 (**Underwriters**).
- (e) The key terms of the underwriting agreement between the Company and the Underwriters in connection with the Entitlement Offer (**Underwriting Agreement**) are set out in the ASX Announcement released by the Company on 23 October 2023. In summary, subject to any termination rights in the Underwriting Agreement:
 - A. entitlements to Entitlement Offer Shares for which valid applications are not received before the Institutional Entitlement Offer closes will be taken up or allocated by the Underwriters; and
 - B. entitlements to Entitlement Offer Shares for which valid applications are not received before the Retail Entitlement Offer closes will be allocated firstly to any Eligible Retail Shareholders who have applied for additional Entitlement Offer Shares under the Oversubscription Facility (up to the Additional New Share Cap), and then any remainder will be taken up or allocated by the Underwriters.

If the Underwriting Agreement is terminated, any sub-underwriting arrangements will also be terminated.

Impact of the Entitlement Offer and the Underwriting on Control of the Company

- (f) Based on the substantial holding notices that have been given to Microba and lodged with the ASX on or before the date of this notice and commitments received under the Institutional Entitlement Offer, the substantial shareholders of Microba as at the date of completion of the Institutional Entitlement Offer will be as follows:

Substantial Shareholder	Number of Shares	Voting Power (%)
Sonic Healthcare Limited (through A.C.N. 002 889 545 Pty Ltd)	85,736,872	21.4%
Perennial Value Management Limited	49,793,097	12.4%
SA Microba Holdings Pty Ltd	33,480,799	8.3%
Thorney Technologies Limited/Tiga Trading Pty Ltd	27,921,023	7.0%
Macrogen, Inc.	17,828,431	4.4%

- (g) **If all Eligible Shareholders take-up their full entitlement** - If all Eligible Shareholders take-up their full entitlement under the Entitlement Offer, they will maintain their existing percentage interest in the total issued share capital of Microba. In these circumstances, the Entitlement Offer will have no significant effect on control of the Company. That said, A.C.N. 002 889 545 Pty Ltd (**Sonic**) has taken-up its full entitlement. This will result in it increasing to 21.4% on completion of the Institutional Entitlement Offer, but moving back to 19.7% on completion of the Retail Entitlement Offer. For this increase over this short period, Sonic intends to rely on the exception to section 606 of the Corporations Act set out in item 9 of section 611 of the Corporations Act, being the 'creep exception'.
- (h) **If any Eligible Shareholders take-up their full entitlement and participate in the Oversubscription Facility** - If any Eligible Shareholders take-up their full entitlement and participate in the Oversubscription Facility (up to the Additional New Share Cap), they may increase their holding in Microba, but always in accordance with item (k) as detailed below.
- (i) **If an Eligible Shareholder does not take-up their entitlements** - To the extent that an Eligible Shareholder does not take-up their entitlements under the Entitlement Offer, that Eligible Shareholder's percentage holding in Microba will be diluted by the issue of the Entitlement Offer Shares under the Entitlement Offer. The extent of the dilution will depend on which Eligible Shareholders take up their Entitlement.
- (j) **Ineligible Shareholders** - The proportional interests of Microba Shareholders who are not Eligible Shareholders will be diluted because such Shareholders are not entitled to participate in the Entitlement Offer.
- (k) **20% limitation** - So far as Microba is aware, with the exception as detailed in paragraph (g) above, no shareholder will, as a result of the Entitlement Offer, increase its voting power from below 20% to above 20% interest and the issue of the Entitlement Offer Shares is not expected to have a material effect or consequence of control on Microba.
- (l) **Underwriting –**
- The Entitlement Offer is fully underwritten by the Underwriters pursuant to the terms of the Underwriting Agreement between the Underwriters and Microba. In the event there is a shortfall under the Entitlement Offer (including under any Oversubscription Facility), those shortfall shares will be taken up or allocated by the Underwriters (including under any sub-underwriting arrangements).
 - The number of Entitlement Offer Shares that will be required to be taken up or allocated by the Underwriters and sub-underwriters will depend on how many Entitlement Offer Shares are taken up under the Entitlement Offer (including under the Oversubscription Facility). The taken up or allocation will comply with the requirements detailed in paragraph (k) above.

Cleansing Notice - Share issue

This notice is given by Microba under section 708A(9) of the Corporations Act.

1. the Company issued the Shares on exercise of the options without disclosure to eligible shareholders under Part 6D.2 of the Corporations Act;
2. this notice is given under section 708A(9) of the Corporations Act, updating its previous section 708A(5)(e) notice dated 19 October 2023;
3. as at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (b) section 674 of and section 674A the Corporations Act; and
4. as at the date of this notice, on the basis of the ASX Announcement made on 23 October 2023, there is no "excluded information" as defined in section 708A(7) or section 708A(8) of the Corporations Act that has not already been disclosed to investors generally.

This announcement has been authorised for release by the Board.

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About Microba Life Sciences Limited

Microba Life Sciences is a precision microbiome company driven to improve human health. With world-leading technology for measuring the human gut microbiome, Microba is driving the discovery and development of novel therapeutics for major chronic diseases and delivering gut microbiome testing services globally to researchers, clinicians, and consumers. Through partnerships with leading organisations, Microba is powering the discovery of new relationships between the microbiome, health and disease for the development of new health solutions.

Disclaimer

Forward looking statements

This document contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this document are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Microba, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

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