



CathRx Ltd
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www.khelixmedical.com

20 December 2016

PRO-RATA NON-RENOUCEABLE ENTITLEMENT OFFER

The Board of Directors of CathRx Ltd (**Company** or **CathRx**) is pleased to announce that the Company is undertaking a non-renounceable pro rata entitlement offer to eligible existing shareholders of the Company, to raise up to a maximum of approximately \$5.5 million (before expenses) (**Entitlement Offer**).

Details of Entitlement Offer

All persons who are registered as a shareholder with the Company as at 7.00pm (Sydney time) on Friday 10 February 2017 (**Record Date**) and who have:

- a registered address in Australia or New Zealand; or
- if they are a “Sophisticated Investor” (as defined in the Prospectus, see below), a registered address in Malaysia,

(**Eligible Shareholder**) will be entitled under the Entitlement Offer to subscribe for five (5) new fully-paid ordinary shares in the Company (**New Shares**) for every twelve (12) fully-paid ordinary shares that they hold in the Company as at the Record Date, at an issue price of \$0.40 per New Share.

Eligible Shareholders who have fully taken up their entitlements under the Entitlement Offer, will have the opportunity to participate in any shortfall (to the extent other Eligible Shareholder do not take up their entitlements in full).

As the Entitlement Offer is non-renounceable, Eligible Shareholders will not be able to trade their entitlements under the Entitlement Offer.

New Shares will rank equally with all other ordinary shares currently on issue in the Company.

Intentions of Directors

It is the current intention of each Director holding shares in the Company directly or indirectly (including myself) to take up the maximum extent of our entitlements permitted by law, in support of the Entitlement Offer.

The Entitlement Offer is not underwritten.

Purpose of Entitlement Offer

The funds raised under the Entitlement Offer are proposed to be used to fund the Company’s planned activities to April 2018, including:

- further progressing the development and clinical testing of the Company’s ablation catheters, with a view to submitting them for CE mark approval in the first half of 2018;
- conducting further limited controlled market releases, clinical studies and evaluations for the Company’s single-use and multi-use diagnostic catheters in Australia and the EU;



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- seeking FDA approval for the single-use and multi-use diagnostic catheters for distribution in the US market;
- commencing the establishment of a new larger scale manufacturing facility, in anticipation of the need to meet potential future commercial demand for the Company's products;
- seeking to secure reliable and strong distribution, commercialisation or technology partners; and
- exploring merger and acquisition opportunities.

It is envisaged that the achievement of the above will make the Company a more attractive proposition for possible business partners and strategic investors.

Prospectus

The Entitlement Offer is being made pursuant to a prospectus under section 710 of the *Corporations Act 2001* (Cth) (**Corporations Act**), which was lodged with the Australian Securities & Investments Commission (**ASIC**) on Tuesday 20 December 2016 (**Prospectus**).

The full terms of the Entitlement Offer, including information as to the anticipated impact of the Entitlement Offer on the Company, and other important information in relation to the Company and its activities, are contained in the Prospectus.

It is also important that Eligible Shareholders carefully read the Prospectus in its entirety before deciding whether to invest further in the Company and, in particular, consider the risk factors set out in **Sections 2.8** and **7** of the Prospectus which could, if they occurred, materially and adversely affect the financial condition and prospects of the Company and the value of its securities.

It is currently envisaged that a copy of the Prospectus will be mailed to all Eligible Shareholders, together with a personalised Entitlement and Acceptance Form, on Wednesday 15 February 2017.

The Corporations Act prohibits the Company from processing applications under the Entitlement Offer during the first 7 to 14 days after the date of the Prospectus, known as the "exposure period". The exposure period is scheduled to expire on Tuesday 3 January 2017.

If however you wish to obtain an electronic copy of the Prospectus during the exposure period, please contact the Company or its share registry, Boardroom Pty Ltd, by telephone, email or mail at:

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5 Parkview Drive
Sydney Olympic Park NSW 2127
Phone: +61 2 9397 5700
Facsimile: +61 2 9397 5701
Email: info@cathrx.com

Boardroom Pty Limited
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Actions required

If you are an Eligible Shareholder and you wish to participate in the Entitlement Offer (and, if applicable, any additional New Shares forming part of the shortfall to the Entitlement Offer), please ensure that your Entitlement and Acceptance Form together with payment of the relevant application money is received by CathRx's share registry (details above), or that you pay by BPay® in accordance with the instructions in your Entitlement and Acceptance Form, no later than the close of the Entitlement Offer, which is currently scheduled to occur at **5.00pm (Sydney time) on Friday 10 March 2017**.

If you are an Eligible Shareholder and you do not wish to subscribe for any of your entitlements under the Entitlement Offer, you may do nothing and allow your entitlements to lapse. However, please note that your percentage shareholding may be diluted by up to 29.4% (refer to **Sections 2.7** and **6** of the Prospectus).

If you wish to subscribe under the Entitlement Offer, you are encouraged to submit your application as soon as possible.

For more information, please contact:

Ian Fong

Managing Director

Phone: +61 2 9397 5700

Email: ian.fong@cathrx.com