

ASX Release  
5<sup>th</sup> September 2016

## Notice under section 708AA(2)(f) of the Corporations Act

**Adelaide, 5<sup>th</sup> September 2016:** Reproductive Health Science Limited (ASX: RHS) (“RHS” or “the Company”), provides this notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (the Act).

An Offer Memorandum and Appendix 3B was lodged with the ASX today in relation to an underwritten one (1) for five (5) non-renounceable rights issue priced at \$0.075 per new share (Entitlement).

Each Shareholder with a registered address in Australia or New Zealand, who is registered as the holder of Shares as at 5.00pm AEST time on Monday, 12 September 2016 is entitled to participate in the Offer to the extent of the number of Shares registered in their name (Eligible Shareholders).

In relation to the above offer of securities to shareholders as detailed further in the Offer Memorandum lodged with the ASX today (the Offer), the Company advises that:

1. the securities offered under the Rights Issue will be offered for issue without disclosure to investors under Part 6D.2 of the Act;
2. as at the date of this notice, RHS has complied with the provisions of Chapter 2M of the Act as they apply to RHS and section 674 of the Act;
3. as at the date of this notice there is no information that is excluded information under section 708AA(8) and (9) of the Act that has not already been disclosed to investors generally or in the Offer Memorandum and Appendix 3B lodged today;
4. the potential effect the Rights Issue will have on the control of RHS is as follows (based on the issued share capital of RHS as at the date of this notice):
  - a. If all shareholders take up their entitlements under the Rights Issue, the Rights Issue will have no effect on the control of RHS.
  - b. Any eligible shareholders not taking up their full entitlements in the Rights Issue will have their interest in the Company diluted.
  - c. The proportional interests of shareholders with a registered address outside Australia and New Zealand will be diluted because such shareholders are not entitled to participate in the Rights Issue.
  - d. The Rights Issue is fully underwritten by Taylor Collison Limited (Underwriter).

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- e. The Underwriter is an existing shareholder of the Company. The extent to which shares are issued pursuant to the underwriting agreement will increase the voting power in the Company of the Underwriter.

As a consequence of the underwriting, there is the potential that the Underwriter may acquire an interest in 5% or more (but not exceeding 20%) of the Company's shares on issue. This is because the Underwriter (subject to sub-underwriting) will subscribe for any shares that are not taken up by Eligible Shareholders pursuant to their Entitlement. The actual effect of the Offer on the voting power in the Company of the Underwriter will depend on the level of subscription by Eligible Shareholders pursuant to the Offer and the extent to which sub-underwriters are issued with any Shortfall Shares pursuant to sub-underwriting agreements.

The Underwriters' voting power immediately before the Offer, but including a placement of 7,000,000 shares as announced earlier today, is as follows:

Shareholder	Number of Shares	Voting power
Underwriter	1,282,909	1.94%
Other shareholders	63,722,256	98.06%
Total	66,005,165	100.00%

The table below illustrates the potential effect of the Offer on the Underwriters' voting power in scenarios where the Offer is 25%, 50%, 75% and 100% subscribed. These scenarios are based on the assumption that the Underwriter takes up its full Entitlement under each scenario. Therefore, the reference to the Offer being 75%, 50%, or 25% subscribed refers to 75%, 50% or 25% of the Rights being subscribed after the Underwriter has taken up its Rights in full. The table has been prepared for illustrative purposes, on the unlikely assumption that no sub-underwriters are issued with any Shortfall Shares pursuant to any Sub-Underwriting Agreements.

Event	Shares held by Underwriter	Total Shares	Voting power of Underwriter
Offer fully subscribed with no Shortfall	1,539,491	79,206,198	1.94%
Offer 75% subscribed	4,839,749	79,206,198	6.11%
Offer 50% subscribed	8,140,007	79,206,198	10.28%
Offer 25% subscribed	11,440,266	79,206,198	14.44%
No Shareholders take up their Entitlement	14,483,942	79,206,198	18.29%

- f. The Company's largest shareholder, Mr Johnathon and Dr Colin Matthews, as trustees for the Acorn Trust, have an agreement with Taylor Collison Limited to sub-underwrite to a maximum of \$150,000 (15.15% of the Rights Issue). Their existing shareholding of 8,964,556 Shares as at the date of this Notice, corresponds to 13.58% of issued capital and voting power. The issued capital is based on the 59,005,165 shares on issue at the date of this notice plus the placement of 7,000,000 shares announced today. The extent to which Shares are issued pursuant to that sub-underwriting agreement will increase the voting power in the Company of Mr Johnathon and Dr Colin Matthews. [Mr Johnathon Matthews is also a Director of RHS, and Dr Colin Matthews is his alternate Director.]

As a consequence of that sub-underwriting, there is the potential that Mr Johnathon and Dr Colin Matthews may increase their voting power from 13.58% to 16.11% of the Shares on issue, as illustrated in table below. The actual effect of the Offer on the voting power in the Company of Mr Johnathon and Dr Colin Matthews will depend on the level of subscription by Eligible Shareholders pursuant to the Offer.

<b>Event</b>	<b>Shares held by Sub-Underwriter</b>	<b>Total Shares</b>	<b>Voting power</b>
Pre-offer	8,964,556	66,005,165	13.58%
1:5 entitlement	1,793,912	13,201,033	
Sub-underwriting the Offer	2,000,000		
Post-Offer	12,757,468	79,206,198	16.11%

- g. Based on publically available information, the substantial shareholders in the Company as at the date of this Notice, as well as their respective Entitlements, are set out below:

<b>Substantial Shareholder</b>	<b>Shares</b>	<b>Voting power*</b>	<b>Entitlement</b>
Dr Colin and Mr Johnathon Matthews <Acorn Trust A/C>	8,964,556	13.58%	1,793,912
South Australian Government and Financing Authority	8,808,367	13.34%	1,761,674

\* The percentage voting power has been calculated on the total issued capital of the Company of 59,005,165 shares as at the date of this notice plus the placement of 7,000,000 shares announced today.

In addition to their Entitlement, Dr Colin and Mr Johnathon Matthews, as trustees for the Acorn Trust, have an agreement with Taylor Collison Limited to sub-underwrite to a maximum of \$150,000 (15.15% of the Offer). The potential effect that the issue of Shares to Dr Colin and Mr Johnathon Matthews under the Offer and the sub underwriting agreement will have on the control of the Company is set out in paragraph (f) above.

In respect of South Australian Government and Financing Authority (SAFA); given that the Offer is fully underwritten, if SAFA takes up its Entitlement in full, this will have no effect on its voting power in the Company. If SAFA elects not to participate in the Offer or subscribes for only part of its Entitlement, then its Shareholding will be diluted (as compared to its voting power as at the date of the Offer Memorandum).

5. The consequences of the potential effect on control of RHS referred to in paragraphs 4(e), 4(f), and 4(g) above will be an increase in the voting power of the parties referred to in those paragraphs by an amount equal to the percentage increase in their interest in RHS' undiluted share capital. Given the maximum interest that any of the parties will have post the Offer is 18.29% (based on the issued share capital of RHS as at the date of this notice), the Board is of the view that none of the parties will control RHS within the meaning of section 50AA(1) of the Corporations Act. Furthermore, the Underwriter will ensure that no person will be issued, through participation in sub-underwriting the Offer, Shares if such issue will result in their voting power in the Company exceeding 19.9%.

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For further information please contact:

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### About Reproductive Health Science

RHS is a developer of advanced single cell genomic technologies focussed on improving health and research outcomes, with over 10 years of technical experience in the field. EmbryoCollect™ is the Company's lead product designed to increase the chance of a successful IVF cycle by selecting the most viable embryos for transfer by screening for aneuploidy. This is known as Preimplantation Screening (PGS). RHS has recently released its second product, DOPlify™ for whole genome amplification (WGA) of single or small numbers of cells. DOPlify™ is applicable to the global Next Generation Sequencing (NGS) market.

**Reproductive Health Science Ltd.**  
ACN 010 126 708  
ASX: RHS

**Issued Capital**  
59 million shares  
13.1 million options

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**Directors**  
Dr David Brookes (Chairman)  
Sue MacLeman  
Johnathon Matthews  
Dr Michelle Fraser (CEO)

**Finance Officer  
& Company Secretary**  
Raymond Ridge

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