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23 December 2020

Dear Acrux Shareholder,

I am pleased to provide you with details for virtual attendance, voting and participation at the Company's Extraordinary General Meeting ('EGM') to be held on Thursday, 28 January 2021 at 10:00 am (AEDT).

Acrux respects the right of shareholders to participate in the EGM and understands the importance of the meeting to shareholders. However, the health and safety of our shareholders, employees and the broader community is paramount. As a result of the potential health risks and the Government restrictions in response to the Coronavirus (COVID 19) pandemic, it will not be possible to host shareholders and members of the public in person at Acrux's EGM in January.

Acrux will be webcasting the EGM so that shareholders are able to listen to the presentation and submit questions before or during the meeting online and vote in real time. Shareholders are encouraged to participate in the EGM in the following ways:

- submitting proxies prior to the Extraordinary General Meeting. Securityholders may provide specific instructions on how their appointed proxy must exercise their votes on each item of business and the proxy must follow such instructions; and
- listening to and submitting questions during the Extraordinary General Meeting via the web-cast facility available at: <https://agmlive.link/ACRGM21>.

Your participation in the meeting is important to us and we encourage all shareholders and proxy holders to participate in the EGM virtually via the online platform at: <https://agmlive.link/ACRGM21>. To do this you will need a desktop or mobile/tablet device with internet access, and you will need to provide your details (including Shareholder Reference Number (SRN) or Holder Identification Number (HIN)) to be verified as a security holder or proxy holder.

Additionally, the *Corporations (Coronavirus Economic Response) Determination (No. 3) 2020* issued by the Federal Treasurer on 21 September 2020 permits a Notice of Meeting and other information regarding a meeting to be provided online where it can be viewed and downloaded. Accordingly, the Notice of Meeting will not be mailed to shareholders. Instead it is available for you to view and download at the Company's website at: <http://investors.acrux.com.au/investor-centre>.

All resolutions for the EGM will be decided on a poll and we strongly encourage shareholders to submit their proxies as early as possible. We recommend logging in to the online platform at least 15 minutes prior to the scheduled start time for the EGM using the instructions provided in the Notice of Meeting and in the Virtual General Meeting Online Guide, which can be accessed online at: <http://investors.acrux.com.au/investor-centre/?page=home>.

If you have not already done so, I encourage you to consider electing to receive Acrux communications electronically which can be done via the registry website (www.linkmarketservices.com.au).

Acrux appreciates your involvement, and we look forward to providing you with details of progress achieved by the Company on a number of fronts. On behalf of the Board, I would like to take this opportunity to thank you for your continued support during this exciting time for the Company.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'RD', followed by a long horizontal flourish.

Ross Dobinson
Chairman

ACRUX LIMITED ABN 72 082 001 152
(the Company)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that the Extraordinary General Meeting of the members of Acrux Limited will be held as a virtual meeting on Thursday, 28 January 2021 at 10:00 am (AEDT).

WEBCAST

You can view a live webcast of the meeting via the online platform at: <https://agmlive.link/ACRGM21>.

Virtual participation at the Annual General Meeting

The Company is pleased to provide shareholders with the opportunity to participate in the meeting virtually through an online platform provided by our share registrar Link Market Services. Further information on how to do this is set out in this Notice of Meeting and the Virtual General Meeting Online Guide which can be accessed online <http://investors.acrux.com.au/investor-centre/?page=home>.

The Explanatory Notes that accompany and form part of this Notice of Extraordinary General Meeting describe the various matters to be considered.

AGENDA

Resolution 1 Ratification of Tranche 1 Placement Shares issued under Listing Rule 7.1

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and all other purposes, Shareholders approve and ratify the prior issue by the Company of 25,324,402 Shares at an issue price of \$0.157 per Share issued under the Placement as more fully described in the Explanatory Memorandum.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue of Shares the subject of this Resolution or any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

Resolution 2 Ratification of Tranche 1 Placement Shares issued under Listing Rule 7.1A

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and all other purposes, Shareholders approve and ratify the prior issue by the Company of 16,839,922 Shares at an issue price of \$0.157 per Share issued under the Placement as more fully described in the Explanatory Memorandum.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue of Shares the subject of this Resolution or any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

Resolution 3 Issue of Tranche 2 Placement Shares

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.1 and all other purposes, approval is given for the Company to issue up to 7,613,658 Shares (**Tranche 2 Placement Shares**) at an issue price of \$0.157 per Share as more fully described in the Explanatory Memorandum.”*

Voting exclusion statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Shares the subject of this Resolution (except a benefit solely by reason of that person being the holder of Shares) or any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

Resolution 4 Issue of Tranche 2 Placement Shares to Mr Ross Dobinson

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to Resolution 3 being passed, for the purposes of Listing Rule 10.11 and all other purposes, approval is given to the issue of 640,000 of the Tranche 2 Placement Shares to Mr Ross Dobinson (and/or his nominee), a Director of the Company, on the terms outlined in the Explanatory Memorandum.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Ross Dobinson or an associate of Mr Ross Dobinson and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

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

- a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way;
- b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of Mr Ross Dobinson who is excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Resolution 5 Issue of Tranche 2 Placement Shares to Mr Michael Kotsanis

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to Resolution 3 being passed, for the purposes of Listing Rule 10.11 and all other purposes, approval is given to the issue of 320,000 of the Tranche 2 Placement Shares to Mr Michael Kotsanis (and/or his nominee), a Director of the Company, on the terms outlined in the Explanatory Memorandum.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Michael Kotsanis or an associate of Mr Michael Kotsanis and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

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

- a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way;
- b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of Mr Michael Kotsanis who is excluded from voting, on this Resolution; and
- (ii) the holder votes on this Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Resolution 6 Issue of Tranche 2 Placement Shares to Dr Tim Oldham

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to Resolution 3 being passed, for the purposes of Listing Rule 10.11 and all other purposes, approval is given to the issue of 63,694 of the Tranche 2 Placement Shares to Dr Tim Oldham (and/or his nominee), a Director of the Company, on the terms outlined in the Explanatory Memorandum.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Dr Tim Oldham or an associate of Dr Tim Oldham and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

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

- a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way;
- b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of Dr Tim Oldham who is excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Resolution 7 Issue of Tranche 2 Placement Shares to Dr Geoff Brooke

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to Resolution 3 being passed, for the purposes of Listing Rule 10.11 and all other purposes, approval is given to the issue of 318,471 of the Tranche 2 Placement Shares to Dr Geoff Brooke (and/or his nominee), a Director of the Company, on the terms outlined in the Explanatory Memorandum.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Dr Geoff Brooke or an associate of Dr Geoff Brooke and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

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

- a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way;
- b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of Dr Geoff Brooke who is excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Resolution 8 Issue of Tranche 2 Placement Shares to Mr Norman Gray

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to Resolution 3 being passed, for the purposes of Listing Rule 10.11 and all other purposes, approval is given to the issue of 127,389 of the Tranche 2 Placement Shares to Mr Norman Gray (and/or his nominee), a Director of the Company, on the terms outlined in the Explanatory Memorandum.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Norman Gray or an associate of Mr Norman Gray and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

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

- d) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way;
- e) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- f) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (iii) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of Mr Norman Gray who is excluded from voting, on this Resolution; and
 - (iv) the holder votes on this Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

By order of the Board



Deborah Ambrosini
Company Secretary
23 December 2020

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the shareholders of the Company in connection with the business to be conducted at the Extraordinary General Meeting to be held on Thursday, 28 January 2021 at 10:00 am (AEDT).

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to shareholders in deciding whether or not to pass the resolutions in the Notice of Meeting. This Explanatory Statement is important and should be read carefully by all shareholders.

1. Resolutions 1 and 2: Ratification of Tranche 1 Placement Shares issued under Listing Rule 7.1 and Listing Rule 7.1A

General

On 21 December 2020, the Company announced a placement of 49,777,982 Shares to sophisticated and professional investors each at an issue price of \$0.157 to raise \$7.8 million (before costs) to be completed in two tranches (being the **Tranche 1 Placement** and the **Tranche 2 Placement**) (together, the **Placement**) and a share purchase plan to be offered to eligible shareholders to raise up to \$2.0 million (**SPP**).

The Company completed the Tranche 1 Placement by issuing a total of 42,164,324 Shares (**Tranche 1 Placement Shares**) on 24 December 2020 to raise a total of \$6,619,798 (before costs). Resolutions 1 and 2 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

As part of the Placement, the Company has entered into a subscription agreement (**Subscription Agreement**) with a new strategic investor, Phillip Asset Management Limited ACN 064 847 669 as trustee for BioScience Managers Translation Fund I (**BMTF**), which has committed to subscribe for \$5.0m of the Placement, subject to the conditions set out in the 21 December 2020 announcement. Under the terms of the Subscription Agreement, the Company has agreed that, while BMTF holds at least 10% of the issued share capital of the Company, BMTF will have reasonable access during business hours to the senior management of the Company for the sole purpose of consultation on the business affairs and activities of the Company.

25,324,402 Shares were issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1 (**LR 7.1 Placement Shares**) and 16,839,922 Shares were issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1A (which was approved by Shareholders at the annual general meeting held on 12 November 2020) (**LR 7.1A Placement Shares**).

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.1A

ASX Listing Rule 7.1A provides that an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and

b) are counted in variable “E”,
until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

ASX Listing Rule 7.4

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 or 7.1A (and provided that the previous issue did not breach ASX Listing Rule 7.1 or 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

If Resolution 1 is passed, the LR 7.1 Placement Shares will be excluded in calculating the Company’s 15% limit in ASX Listing Rule 7.1, allowing the Company to issue a higher number of securities without prior Shareholder approval over the 12 month period following the issue of the LR 7.1 Placement Shares.

If Resolution 2 is passed, the LR 7.1A Placement Shares will be excluded in calculating the Company’s 10% limit in ASX Listing Rule 7.1A, allowing the Company to issue a higher number of securities without prior Shareholder approval over the 12 month period following the issue of the LR 7.1A Placement Shares.

If Resolutions 1 and 2 are not passed, the respective amounts of the Tranche 1 Placement Shares will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1 and the Company’s 10% limit in ASX Listing Rule 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the issue of the Tranche 1 Placement Shares.

Information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 1 and 2:

- a) the Tranche 1 Placement Shares were issued to BMTF and other sophisticated and professional investors who participated in the Placement;
- b) 42,164,324 Shares were issued on the following basis:
 - a. 25,324,402 Shares were issued pursuant to ASX Listing Rule 7.1 (Resolution 1); and
 - b. 16,839,922 Shares were issued pursuant to ASX Listing Rule 7.1A (Resolution 2);
- c) the Tranche 1 Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company’s existing Shares;
 - a) the date of issue was 24 December 2020;
 - b) the issue price was \$0.157 per Share and as such the Company received \$6,619,798.
 - c) funds raised from the issue of the Tranche 1 Placement Shares will be used for the further development and commercialisation of the Company’s current and future product pipeline in topical generics, working capital and the costs of the Placement and SPP (including *inter alia*, registry and legal costs);
 - d) other than in respect of the Subscription Agreement, the Tranche 1 Placement Shares were not issued pursuant to any agreement; and
 - e) a voting exclusion statement for Resolutions 1 and 2 is included in the Notice of General Meeting preceding this Explanatory Memorandum.

2. Resolution 3: Issue of Tranche 2 Placement Shares

General

Further to the issue of the Tranche 1 Placement Shares, Resolution 3 seeks Shareholder approval for the issue of 7,613,658 Tranche 2 Placement Shares at an issue price of \$0.157 per Share to raise \$1,195,345 (before costs).

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

If Resolution 3 is **passed**, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

If Resolution 3 is **not passed**, the issue of the Tranche 2 Placement Shares will count towards the Company's 15% limit.

If Resolutions 1, 2 and 3 are **not passed**, then the Company will not be able to issue the Tranche 2 Placement Shares meaning that it would not be able to raise the \$1,195,345 capital. Consequently, the Company will only be able to partially proceed with the intended uses for the full funding of the Placement, as set out in the announcement to the ASX on 21 December 2020.

Information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- a) the Tranche 2 Placement Shares will be issued to sophisticated and professional investors who participate in the Placement;
- b) the maximum number of Shares that the Company may issue under the Tranche 2 Placement is 7,613,658.
- c) the Tranche 2 Placement Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- d) the Tranche 2 Placement Shares will be issued on 4 February 2021, subject to approval of Resolution 3;
- e) the Tranche 2 Placement Shares will be issued at an issue price of \$0.157 each to raise \$1,195,345 (before costs);
- f) funds raised from the issue of the Tranche 2 Placement Shares will be used for the further development and commercialisation of the Company's current and future product pipeline in topical generics, working capital and the costs of the Placement and SPP (including *inter alia*, registry and legal costs);
- g) other than in respect of the Subscription Agreement, the Tranche 2 Placement Shares will not be issued pursuant to any agreement; and
- h) a voting exclusion statement for Resolution 3 is included in the Notice of General Meeting preceding this Explanatory Memorandum.

3. Resolutions 4 to 8: Issue of Tranche 2 Placement Shares to Mr Ross Dobinson, Mr Michael Kotsanis, Dr Tim Oldham, Dr Geoff Brooke and Mr Norman Gray

General

Messrs Dobinson, Kotsanis, Oldham, Brooke and Gray wish to participate in the Tranche 2 Placement by subscribing for a total of 1,469,554 Tranche 2 Placement Shares at the issue price of \$0.157 per Share raising \$230,720 (**Director Participation**). The Director Participation will be on the same terms as unrelated participants in the Placement.

Accordingly, the Company is seeking:

- a) Shareholder approval under Resolution 4 for the issue of 640,000 Tranche 2 Placement Shares to Mr Ross Dobinson (or his nominee);
- b) Shareholder approval under Resolution 5 for the issue of 320,000 Tranche 2 Placement Shares to Mr Michael Kotsanis (or his nominee);
- c) Shareholder approval under Resolution 6 for the issue of 63,694 Tranche 2 Placement Shares to Dr Tim Oldham (or his nominee);
- d) Shareholder approval under Resolution 7 for the issue of 318,471 Tranche 2 Placement Shares to Dr Geoff Brooke (or his nominee); and
- e) Shareholder approval under Resolution 8 for the issue of 127,389 Tranche 2 Placement Shares to Mr Norman Gray (or his nominee).

(together, the **Tranche 2 Director Placement Shares**), on the terms below.

Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless giving the financial benefit falls within an exception set out in sections 210-216 of the Corporations Act.

The Director Participation will result in the issue of Shares which constitutes giving a financial benefit and Messrs Dobinson, Kotsanis, Oldham, Brooke and Gray are related parties of the Company by virtue of being Directors of the Company.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Director Participation because the Tranche 2 Director Placement Shares will be issued to the Directors on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to, amongst others, a related party, unless it obtains approval from shareholders.

The Director Participation falls within ASX Listing Rule 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12. The Director Participation therefore requires the approval of

Shareholders under ASX Listing Rule 10.11. Resolutions 4 to 8 seeks Shareholder approval for the Director Participation under and for the purposes of ASX Listing Rule 10.11.

If Resolutions 4 to 8 are **passed**, the Company will be able to proceed with the issue of the Tranche 2 Director Placement Shares under the Director Participation within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).

As approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Tranche 2 Director Placement Shares in respect of the Director Participation (because approval is being obtained under ASX Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If any of Resolutions 4 to 8 are **not passed**, the Company will not be able to proceed with the issue of the Tranche 2 Director Placement Shares to the relevant Director under the Director Participation and the relevant Placement funds will not be raised.

Technical Information Required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 4 to 8:

(a) the Tranche 2 Director Placement Shares will be issued to Messrs Dobinson, Kotsanis, Oldham, Brooke and Gray (or their nominees), who each fall within the category set out in ASX Listing Rule 10.11.1, as each of them is a related party of the Company by virtue of being a Director;

(b) the number of fully paid ordinary shares to be issued is:

- (i) 640,000 Shares to Mr Ross Dobinson;
- (ii) 320,000 Shares to Mr Michael Kotsanis;
- (iii) 63,694 Shares to Dr Tim Oldham;
- (iv) 318,471 Shares to Dr Geoff Brooke and
- (v) 127,389 Shares to Mr Norman Gray.

(c) the Shares forming part of the Tranche 2 Director Placement Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(d) the Tranche 2 Director Placement Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Tranche 2 Director Placement Shares under the Director Participation will be issued on the same date as the other Tranche 2 Placement Shares;

(e) the issue price will be \$0.157 per Share. The Company will not receive any other consideration for the issue of the Shares;

(f) the purpose of the issue of Shares under the Director Participation is to raise capital to be used for the further development and commercialisation of the Company's current and future product pipeline in topical generics, working capital and the costs of the Placement and SPP (including *inter alia*, registry and legal costs);

(g) the issue of the Tranche 2 Director Placement Shares under the Director Participation is not intended to remunerate or incentivise the Directors;

(i) the Shares are not being issued under an agreement; and

(j) voting exclusion statements are included in Resolutions 4 to 8 of the Notice.

NOTES

Entitlement to Vote and Proxies

Only registered holders of the Company's shares as at Monday, 25 January 2021 at 7:00 pm (AEDT) are eligible to vote at the Extraordinary General Meeting.

All Resolutions will be by Poll

In accordance with clause 39.1 of the constitution, the Chairman intends to call a poll on each of the resolutions proposed at the EGM. The Chairman considers voting by poll to be in the interests of the shareholders as a whole and ensures the views of as many shareholders as possible are represented at the meeting.

Direct Voting – Virtual Participation Using Link Group's Online Platform

In accordance with clause 30.4 of the Company's constitution, and to facilitate shareholder participation, the Chairman has determined that shareholders will have the opportunity to participate in the EGM through the Company's online platform at <https://agmlive.link/ACRGM21>. If you choose to participate in the meeting in this way, you will be able to listen to the EGM live, lodge a direct vote in real time and ask questions online

Shareholders participating in the meeting using the Company's online platform will be able to vote between the commencement of the EGM (10.00am AEST on Thursday, 28 January 2021) and the closure of voting as announced by the Chairman during the EGM.

More information regarding online participation at the EGM (including how to vote and ask questions online during the EGM) is available in the Online Platform Guide. The Online Platform Guide will be lodged with the ASX and will also be available on our website at <http://investors.acru.com.au/investor-centre/?page=home>.

The virtual meeting is viewable from desktops, mobile/tablet devices and laptops. To participate and vote online you will need your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) to be verified as securityholder or proxy holder. Proxy holders will need their proxy number which will be provided by Link Market Services no later than 24 hours prior to the meeting and following lodgement of the proxy appointment.

Please ensure that your internet browser is compatible, by following the instructions in the Online Platform Guide – we recommend confirming this prior to determining whether to participate in the EGM using the Company's online platform. It is also recommended that shareholders who elect to participate in the EGM through the Company's online platform log in to the online portal at least 15 minutes prior to the scheduled start time for the meeting.

Voting by Proxy

A member entitled to attend and vote at this Extraordinary General Meeting is entitled to appoint not more than two proxies using the enclosed proxy form. A proxy need not be a member of the Company. The proxy may be an individual or a body corporate. Your proxy's authority to speak and vote for you at the meeting is suspended if you are present at the meeting.

If you appoint one proxy that proxy may vote on a show of hands. Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of your voting rights on a poll but neither proxy has a vote on show of hands. If you appoint two proxies and the appointment does not specify the proportion or number of your votes each proxy may exercise, section 249X of the Corporations Act 2001 provides that each proxy may exercise half of the votes (ignoring fractions). If you appoint another member as your proxy, that person will have only one vote on a show of hands and does not have to vote on a show of hands in accordance with any direction by you.

You may direct your proxy how to vote by marking X in one of the four boxes opposite each item of business. All your votes will be cast in accordance with your direction unless you indicate only a portion of votes are to be cast on any item by inserting the percentage of your voting rights applicable to the proxy appointed by the proxy form in the appropriate box. If you do not mark any of the boxes relating to the items of business, your proxy may vote as he or she chooses. If you mark more than one box relating to the same item of business any vote by your proxy on that item will be invalid.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. Proxies and the original or a certified copy of the power of attorney (if the proxy form is signed by an attorney) must be received not later than 10:00 am (AEDT) on Tuesday, 26 January 2021:

- by lodging it on-line at the registry's website (www.linkmarketservices.com.au) in accordance with the instructions given there. (You will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website); or
- by post addressed to Link Market Services Limited; or
- by facsimile to Link Market Services Limited on fax number +61 2 9287 0309.

Documents received after that time will not be valid for the scheduled meeting.

The Chairman of the Meeting Acting as Your Proxy

You may appoint the Chairman of the meeting as your proxy. In addition, the Chairman of the meeting is deemed appointed where a completed proxy form is submitted which does not contain the name of the proxy or where the person appointed on the form is absent from the meeting or does not vote in accordance with your directions. If you direct the Chairman how to vote on an Item of business, the Chairman must vote in accordance with your direction. The Chairman intends to vote all available proxies in favour of each Item of business.

Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Company's shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.



ACRUX LIMITED
ABN 72 082 001 152

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Acrux Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

ALL ENQUIRIES TO
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

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

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **10:00am (AEDT) on Thursday, 28 January 2021 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in: Online at <https://agmlive.link/ACRGM21> (refer to details in the Virtual Meeting Online Guide).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

STEP 1

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Ratification of Tranche 1 Placement Shares issued under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Issue of Tranche 2 Placement Shares to Mr Michael Kotsanis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of Tranche 1 Placement Shares issued under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Issue of Tranche 2 Placement Shares to Dr Tim Oldham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of Tranche 2 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Issue of Tranche 2 Placement Shares to Dr Geoff Brooke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Tranche 2 Placement Shares to Mr Ross Dobinson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Issue of Tranche 2 Placement Shares to Mr Norman Gray	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

i * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3

ACR PRX2101N



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at registrars@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (AEDT) on Tuesday, 26 January 2021**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Acrux Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)