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Company Announcements Office
Australian Securities Exchange

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Placement

Intec Ltd (Intec or the Company) is pleased to announce that it has commitments to raise \$1.5 million through a conditional placement of 125 million new shares to sophisticated and professional investors at an issue price of \$0.012 per share (Conditional Placement).

The issue price of \$0.012 per share represents a:

- 14.3% discount to the last traded price of Intec shares on 7 December 2016; and
- a 18.5% discount to the 5-day volume weighted average price (VWAP) of Intec shares to 7 December 2016.

The Conditional Placement will be carried out in two stages. Settlement of the first stage of approximately 45 million shares to raise approximately \$0.54 million is expected to occur on Friday, 16 December 2016 and an Appendix 3B will then be lodged with ASX. Shares being allotted under the first stage are being issued using Intec's existing 15% placement capacity pursuant to ASX Listing Rule 7.1.

The second stage, being the issue of approximately 80 million shares to raise approximately \$0.96 million, will be finalised in the second half of January 2017. The second stage of the Conditional Placement is conditional on shareholder approval being received at an Extraordinary General Meeting (EGM) of Intec. Resolutions at the EGM will also include approval of the proposed participation of three Intec Directors in the Conditional Placement for an aggregate amount of \$60,000. Full details of the EGM will be provided in the Notice of EGM, which is expected to be released to ASX prior to 25 December 2016.

Share Purchase Plan

To allow all Intec shareholders to participate on the same terms as the Conditional Placement, Intec intends to offer each eligible shareholder the opportunity to subscribe for up to \$15,000 in Intec shares under a Share Purchase Plan (SPP). The SPP will be conducted at the same price as the Conditional Placement, being \$0.012 per share. The SPP is to be offered to shareholders who were on the Company's register as at 7:00pm on 9 December 2016 (Record Date). Further information regarding the SPP will be released to ASX later today.

Taylor Collison Limited (Taylor Collison) is acting as the Lead Manager for the capital raising and has agreed to underwrite up to \$500,000 of the SPP (Underwriting). In addition to receiving normal commercial fees for being the Lead Manager of the Conditional Placement and Underwriting the SPP to the extent of \$500,000, Taylor Collison will be issued 22.5 million unlisted options over Intec shares. These options will have an exercise price of \$0.025 and an

expiry date of 28 November 2019. The issue of options to Taylor Collison is subject to Intec shareholder approval at the forthcoming EGM.

The proposed use of funds from the Conditional Placement and the SPP are as follows:

- Exercise of the option held over 50% of Science Developments Pty Ltd (SciDev) to move to 100% ownership of SciDev;
- Replacement of certain SciDev related finance facilities; and
- The provision of working capital.

SciDev Option Consideration

It has been agreed with Paul Pembroke, the Technical Director of SciDev and the inventor and developer of the OptiFlox® System, that he will take 60% of his consideration due from the exercise of the SciDev option in Intec shares. The remainder of the consideration will be paid in cash. The shares to be issued to Paul Pembroke will be issued at a deemed price of \$0.012 per share. It is expected that the issue of shares to Paul Pembroke will take place in February 2017.

The consideration payable on the exercise of the SciDev option is based on an agreed formula related to the profitability of SciDev for the half-year ended 31 December 2016 with certain agreed adjustments. Based on performance to date, it is currently expected that the consideration payable on the exercise of the SciDev option will comprise approximately \$475,000 to \$575,000 in cash and the issue of approximately 17 million to 20 million Intec shares.

Intec is applying to ASX for determination as to whether security holder approval is required under listing rules in respect to this transaction.

Intec Ltd



Kieran Rodgers
Managing Director