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31 January 2019

Dear Shareholder

Notification of non-renounceable entitlement offer

On 31 January 2019, Genera Biosystems Limited (**Company**) announced a non-renounceable entitlement offer of fully paid ordinary shares (**Entitlement Offer**). An offer document setting out the terms and conditions of the Entitlement Offer was lodged with ASX Limited (**ASX**) on 31 January 2019 (**Prospectus**) and will be sent to all eligible shareholders together with a personalised Entitlement and Acceptance Form on Monday, 11 February 2019.

This letter gives shareholders brief details of the Entitlement Offer, certain information required under the ASX Listing Rules, proposed use of funds and the important dates of the Entitlement Offer. The Entitlement Offer is non-renounceable which means that rights cannot be traded or sold.

The new shares to be issued pursuant to the Entitlement Offer will rank equally with the Company's existing fully paid ordinary shares.

The Entitlement Offer is only open to eligible shareholders, being shareholders whose registered address is in Australia or New Zealand at 7.00pm (AEDT) on Wednesday, 6 February 2019 (**Record Date**).

The Company has determined that it would be unreasonable to make offers under the Entitlement Offer to all shareholders with addresses outside of Australia or New Zealand (**Ineligible Shareholders**) having regard to the Company's current shareholding and the costs of complying with legal and regulatory requirements in those jurisdictions. Accordingly, the Entitlement Offer is not being extended to Ineligible Shareholders. Any entitlements to such shares will lapse and the relevant shares will form part of the additional shares and shortfall under the Entitlement Offer.

Actions required by Eligible Shareholders

To take up all of your rights to subscribe for shares pursuant to the Prospectus (**Entitlement**), you must ensure that your application money for your Entitlement is received by the share registry Computershare no later than 5.00pm (AEDT) on Friday, 1 March 2019, as outlined in your personalised Entitlement and Acceptance Form.

If you only wish to accept part of your Entitlement, you must ensure that your application money for the Entitlements you wish to take up is received by the share registry Computershare no later than 5.00pm (AEDT) on Friday, 1 March 2019, as outlined in your personalised Entitlement and Acceptance Form.

Eligible Shareholders will also be given the opportunity to apply for additional shares above their Entitlement (**Top-Up Shares**). The allocation of any Top-Up Shares will be subject to the Company's discretion and limited to the extent that there are sufficient new shares from shareholders who did not take up their Entitlement.

You are not obliged to take up your Entitlement. However, if you do not take up your Entitlement, your existing interest in the Company will be diluted.

If you hold shares in the Company as nominee or custodian of an Ineligible Shareholder(s), the Company requests you not to:

- (a) send any Prospectus to Ineligible Shareholders; and
- (b) submit any Entitlement or Acceptance Form for the Entitlement Offer or otherwise purchase shares under the Prospectus on behalf of any such Ineligible Shareholder.

Funds raised under the Entitlement Offer may be used to pay the costs of the issue, reduce indebtedness (via the repayment of the Series B Debt and Subordinated Mezzanine Debt), ongoing development of the Company's assets and for working capital requirements.

Details of the Entitlement Offer are as follows:

Type of issue	Pro-rata non-renounceable entitlement offer of fully paid ordinary shares (Shares) of 4 Shares for every 5 Shares held as at the Record Date.
Issue price	\$0.13 (13 cents) per Share.
Number of shares to be issued	Up to 88,049,453 Shares.
Amount to be raised	Up to \$11,446,428
Rights trading	Rights cannot be traded or sold.
Top-Up Shares	Eligible shareholders can apply for Top-Up Shares in excess of their Entitlement. Top-Up Shares will be allocated in accordance with the allocation policy set out in the Prospectus. Any entitlement and additional Shares not taken by eligible shareholders will form part of the shortfall. The directors of the Company reserve the right to place the shortfall Shares at their absolute discretion.
Listing	The Company has applied to ASX for quotation of the Shares.

Key indicative dates*

Announcement of Offer	31 January 2019
Lodgement of Prospectus and Appendix 3B with ASX	31 January 2019
Notice sent to shareholders	4 February 2019
Ex Date	5 February 2019
Record Date for determining entitlements	6 February 2019
Prospectus despatched to eligible shareholders and Company announces despatch has been completed	11 February 2019
Closing Date	1 March 2019
Securities quoted on a deferred settlement basis	4 March 2019
ASX notified of under subscriptions	6 March 2019
Issue date	8 March 2019

**The above timetable is indicative only and subject to change. Subject to the ASX Listing Rules, the directors of the Company reserve the right to vary these dates, including the Closing Date, without notice. The directors may extend the period of the Entitlement Offer or bring forward the Closing Date at their discretion.*

Full details of the terms and conditions of the Entitlement Offer are contained in the Prospectus which is available on the ASX website www.asx.com.au by searching under the ASX Code "GBI."

Yours faithfully



Richard Hannebery
Chief Executive Officer