

## TARGET MARKET DETERMINATION

Made By: Oncosil Medical Limited ACN 113 824 141 (ASX code: **OSL**) (**Company** or **Oncosil**)

Product: Listed options to acquire fully paid ordinary shares in the capital of the Company (**New Shares**) pursuant to a prospectus dated 20 March 2023 (**New Options**)

Effective Date: 20 March 2023

### 1. About this Document

This target market determination (**TMD**) seeks to provide an outline of the class of investors for which this Product has been designed having regard to the objectives, financial situation and needs of that target market.

This document is not a full summary of the Product's terms and conditions and is not intended to provide financial advice. Investors are strongly recommended when making a decision about this Product to read in full the Prospectus dated 20 March 2023 (**Prospectus**) issued by the Company which outlines the relevant terms and conditions under the Product. The Prospectus was issued by the Company pursuant to section 713 of the *Corporations Act 2001 (Cth)* (**Corporations Act**).

A copy of the Prospectus is available at <https://www.oncosil.com/investors>

The offers under the Prospectus (collectively **Offers**) comprise a non-renounceable rights issue offer (**Entitlement Offer**) with a minimum raise of an aggregate of \$4 million (**Minimum Subscription Amount**) and a maximum raise of approximately \$9.9 million (**Maximum Subscription Amount**) and a Shortfall Offer (described below), with a maximum number of approximately 989,242,262 New Shares to be issued under the Offers.

Pursuant to the Prospectus, and provided the Company raises at least the Minimum Subscription Amount from at least 50 Shareholders, the Company is also offering one (1) listed Option exercisable at \$0.03 each and an expiry date of 30 April 2027 (each a **New Option**), at no additional cost to the subscriber for every New Share subscribed and issued under the Prospectus.

Pursuant to the Entitlement Offer, Eligible Shareholders are entitled to subscribe for 1 New Share for every Share held at the Record Date (being 23 March 2023). Shareholders who subscribe for their full entitlement under the Offer (**Entitlement**) may also subscribe for Additional New Shares under the Top Up Facility (**Top-Up Offer**). The Top Up Facility comprises, in aggregate, all New Shares not subscribed and issued to Shareholders that could have been issued under the Entitlement Offer (i.e. up to the Maximum Subscription Amount). One New Option shall also be issued for each New Share issued under the Top Up Offer.

The Offers are not underwritten, but the Company has received binding commitments to subscribe for an aggregate of up to \$2 million of any Shortfall from a third-party investor McFarlane Cameron Pty Ltd (**Shortfall Investor**). Where the Company does not receive acceptances for the entire Maximum Subscription Amount from Eligible Shareholders under the Entitlement Offer (including applications under the Top Up Offer), the board of directors of the Company (**Board**) has also reserved the right for the Company, after issuing as many Additional Shares for which it receives subscriptions from Eligible Shareholders, to place some

or all of the shortfall under the Entitlement Offer (the **Shortfall**) for a period of 3 months after the Entitlement Offer closes (**Shortfall Offer**).

For every New Share issued under the Entitlement Offer, Top Up Offer and the Shortfall Offer, the Company will issue one New Option. A maximum of up to approximately 989,242,262 New Options will be issued, at no costs to the subscribers, under the Offers.

Allocation of New Shares under the Top-Up Offer shall be scaled back pro rata if applications exceed the available Additional Shares. Allocation of any Shortfall remaining after allocation of all subscribed Additional Shares shall be at the discretion of the Board, and may also include some scaling back of applications made.

All of the Offers will be made under the Prospectus. All recipients of this TMD are recommended to consult their professional adviser if they have any questions regarding the contents of the Prospectus.

Any recipient of this TMD who wishes to apply to be issued New Options under the Offers will need to complete the Entitlement and Acceptance Form (for the Entitlement Offer) or the Shortfall Application Form (for the Shortfall Offer) as the case may be that accompany the Prospectus. There is no cooling off period in respect of the issue of the New Options.

This TMD is not a disclosure document for the purposes of the *Corporations Act 2001 (Cth)*, and therefore has not been lodged, and does not require lodgement, with the Australian Securities and Investments Commission (**ASIC**) nor does it contain a full summary of the terms and conditions of the New Options. This TMD does not take into account your current financial position or circumstances nor what you intend for the future.

The Company is not licensed to provide financial product advice in relation to the New Options nor the Offers.

## 2. Target Market

The information below summarises the overall class of investors that fall within the target market for the New Options, based on the product key attributes and the objectives, financial situation and needs that they have been designed to meet.

Factor	Target Market
Investment Objective	<p>As the New Options will expire on 30 April 2027, the Company expects that an investment that includes an investment in the New Options will be suitable for investors who wish to have a right, but not an obligation, in the medium term, to acquire Shares in the Company.</p> <p>The Company expects that an investment in New Options will be suitable to investors who wish to gain exposure to equities in a small/mid-cap biotechnology company listed on the Australian Securities Exchange (<b>ASX</b>), the exposure being both the New Shares, the New Options and the Shares that underlie the New Options.</p> <p>The New Options are likely to be for investors seeking:</p>

	<p>(a) to profit from an appreciation in the market price of Shares in Oncosil by exercising the New Options prior to their expiry date, or</p> <p>(b) gains by selling the New Options on the ASX, especially as the New Options were acquired at no additional costs to the investor, or</p> <p>(c) reduce risk by locking in a price to purchase or sell underlying Shares,</p> <p>and who are accustomed to participating in speculative investments in the biotechnology sector - but investors should first consider the Prospectus, including the risk factors relating to an investment in securities of the Company.</p> <p>The New Options are not designed for investors who require an income stream from their investment in the New Options.</p>
Investment Timeframe	<p>The target market of investors will take a medium term outlook on their investment and are in a financial position that is sufficient for them to invest their funds over the period from their issue date until the expiry date of the New Options (30 April 2027) to increase their shareholding and exposure to the potential upside in the Company's Shares into the future or to sell their New Options on the ASX prior to that expiry date (looking for an ASX price of the listed OSL Shares to be more than the exercise price of the New Options to make a gain).</p> <p>Given the need to pay the exercise price in order to acquire Shares, Investors in the target market are in a financial position that is sufficient for them to invest their funds over a (approximately) 4 year time horizon should they wish to exercise their New Options.</p> <p>Any decision to trade the New Options or exercise the New Options is likely to be based on the trading price of the underlying Shares.</p> <p>An investment in the New Options or the resulting Shares should be regarded as highly speculative.</p>
Investment Metrics	<p>As eligibility for investment is restricted to existing Shareholders for the Entitlements Offers; and Shortfall Investor for the Shortfall Offer, it is expected that the target market of investors will be able to withstand potential fluctuations in the value of their investment, especially as the New Options are being issued for no additional consideration.</p> <p>An exercise price is required to be paid for the issue of the Shares on exercise of New Options. As such, the capacity to realise the underlying value of the New Options (as opposed to realising value in trading the New Options) would require that they be exercised on or before the expiry date - presumably where the trading price of the underlying Shares is above the exercise price for the New Options.</p>

	<p>Where the New Options are not traded, investors in the target market will need to be in a financial position to have sufficient available funds so as to facilitate an exercise of the New Options prior to the expiry date. Despite the New Options being listed, prior to the expiry date, investors' ability to liquidate the New Options may be limited by a material lack of liquidity or any market for trading the New Options and the price of the Shares. The New Options (and the resulting Shares) offer <b>no guarantee</b> that there will be a liquid market or any guarantee of income or capital protection or gains.</p>
Risk of Investment	<p>The Company considers that an investment in the Company upon the exercise of the New Options is highly speculative, such that an investment in the Company is not appropriate for an investor who would not be able to bear a loss of some or all of the investment.</p> <p>Investors should also have a sufficient level of financial literacy and resources (either alone or in conjunction with an appropriate adviser) to understand and appreciate the risks of investing in New Options as an asset class generally and the more specific risks of investing in an Australian listed biotechnology company.</p> <p>There is a substantial risk that the New Options may become:</p> <ul style="list-style-type: none"> <li>• lower in value in the event that the Company's Share price does not appreciate or decreases; and</li> <li>• worthless if the Company's Share price on the expiry date is less than the exercise price of New Options</li> </ul>

### 3. Distribution Conditions

The Entitlement Offers (including the Top-Up Offer) are being made to shareholders resident in Australia or New Zealand on the record date (**Record Date**) of 7.00pm on 23 March 2023 (**Eligible Shareholders**) and the Shortfall Offer is being made to other investors who are not Eligible Shareholders. The Prospectus includes these jurisdictional conditions on eligibility.

The New Options will first be issued to Shareholders who subscribe under the Entitlement Offer and the Top-Up Offer. If there remains any Shortfall after these subscriptions the New Options will be issued to other subscribers under the Shortfall. The Board has reserved the right to place New Shares (and accompanying New Options) under the Shortfall Offer for the 3 months after the close of the Entitlement Offers. Applications for New Options will be scaled back under the Top Up Offer where the number of Additional Shares applied for exceeds the Shortfall, or scaled back under the Shortfall Offer where the number of New Shares (and accompanying New Options) applied for exceeds the Shortfall.

The product can only be distributed by the Company by making an application for New Shares (and accompanying New Options) pursuant to the applicable application forms accompanying the Prospectus.

The Company has emphasised that an investment in the New Options, and in the Shares underlying the New Options, is speculative in nature and not suitable for investors for whom such an investment is inappropriate. The Company considers that these distribution conditions

will ensure that persons who invest in New Options fall within the target market in circumstances where personal advice is not being provided to those persons by the Company.

#### **4. Review Triggers**

The New Options are being offered for a limited offer period set out in the Prospectus, after the conclusion of which the New Options will no longer be available for investment by way of a new issue. As the New Options would be listed on the ASX, there will however be a market for trading in the New Options, but there is no guarantee that that market will be liquid or the value that the New Options may in the future trade.

It follows that the TMD will only apply in the period between the commencement of the offer of the New Options and the issue of the New Options shortly after the close of the Offers (**Offer Period**), after which the TMD will be withdrawn.

To allow the Company to determine whether circumstances exist that indicate this TMD is no longer appropriate to the New Options and should be reviewed, the following review triggers apply for the Offer Period:

- (a) there is a material change to the New Options key attributes that make it no longer consistent with the likely objectives, financial situation and needs of investors in the target market (including for example if the New Options are not granted admission by the ASX as an additional class of security for trading on the ASX);
- (b) the Company lodges with ASIC a supplementary or replacement prospectus in relation to the Prospectus;
- (c) any event or circumstance that would materially change a factor taken into account in making this TMD or the Company otherwise identifies a substantial divergence in how the New Options are being distributed and acquired from that described in this TMD;
- (d) the existence of a significant dealing of the New Options that is not consistent with this TMD. The Company does not consider that an on-sale of New Options on market is a significant dealing;
- (e) ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the New Options or this TMD; and
- (f) material changes to the regulatory environment that applies to an investment in the New Options

The Company may also amend this TMD at any time.

#### **5. Review Period**

If a review trigger occurs during the Offer Period, the Company will undertake a review of the TMD in light of the review trigger as soon as reasonably practicable and, in any case, within five business days of the review trigger occurring. The Company will otherwise complete a review of the TMD immediately prior to the issue of New Options under each of the Offers. As the Shortfall Offer may extend beyond the period of one month, the Company will undertake a monthly review of the TMD until the Offer Period expires.

## 6. Information Reporting

The reporting requirements of all distributors is detailed in the table below:

Reporting Requirement	Period for reporting to the Company by the distributor	Information to be provided
Whether the distributor received complaints about the New Options.	<ul style="list-style-type: none"> <li>For such time as the Offer Period remains open, within 10 business days after the end of each quarter.</li> <li>Within 10 business days after the end of the Offer Period.</li> </ul>	<ul style="list-style-type: none"> <li>The number of complaints received.</li> <li>A summary of the nature of each complaint or a copy of each complaint.</li> </ul>
A significant dealing of the New Options that is not consistent with this TMD. The Company does not consider that an on-sale of New Options on market is a 'significant dealing'	As soon as reasonably practicable after the significant dealing occurs, but in any event no later than 10 business days after the significant dealing occurs.	<ul style="list-style-type: none"> <li>Details of the significant dealing.</li> <li>Reasons why the distributor considers that the significant dealing is not consistent with this TMD,</li> </ul> <p>but subject to the Company's assessment of the ASX market and whether any "significant dealings" occur in an "on market" environment. In addition, it has no capacity to identify the objectives, financial situation and needs of any investors who acquire the New Options.</p>
A significant dealing of the New Options that is not consistent with this TMD	Within 10 business days after the end of the close of the offer of New Options in accordance with the Prospectus.	A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.

## 7. Contact Details

Contact details in respect of this TMD for the Company are:

Karl Pechmann  
 Company Secretary  
 Email: [investor@oncosil.com](mailto:investor@oncosil.com)