

ISSUER

MediKane Holdings Ltd
ACN 147 224 879

INTERMEDIARY

Birchal Financial Services Pty Ltd
AFSL 502618

MEDIKANE HOLDINGS LTD

CROWD-SOURCED FUNDING OFFER DOCUMENT

OFFER DATE: 30TH JUNE 2021



Offer of fully-paid ordinary shares in MediKane Holdings Ltd at \$0.57 per share to raise a maximum of \$850,000

This crowd-sourced funding (CSF) offer document relates to the Offer of fully-paid ordinary shares in MediKane Holdings Ltd. This Offer is made under the CSF regime in Part 6D.3A of the Corporations Act 2001 (Corporations Act).



CONTENTS

SECTION 1: RISK WARNING	3
SECTION 2: INFORMATION ABOUT THE COMPANY	4
2.1 LETTER FROM THE FOUNDERS	4
2.2 COMPANY DETAILS	5
2.3 INVESTMENT HIGHLIGHTS	6
2.4 WHO WE ARE	7
2.5 THE PROBLEM	8
2.6 THE SCIENCE BEHIND NUTRIKANE D	13
2.7 OTHER PRODUCTS IN MEDIKANE'S RANGE	14
2.8 PRODUCT PIPELINE	15
2.9 MARKET	18
2.10 BUSINESS STRATEGY	19
2.11 BUSINESS MODEL	21
2.13 CAPITAL STRUCTURE	30
2.14 FINANCIAL INFORMATION	32
2.15 LEGAL OR DISCIPLINARY ACTIONS	37
2.16 RISKS FACING THE BUSINESS	38
SECTION 3: INFORMATION ABOUT THE OFFER	40
3.1 TERMS OF THE OFFER	41
3.2 USE OF FUNDS	42
3.3 RIGHTS ASSOCIATED WITH THE SHARES	43
3.4 DETAILS OF PREVIOUS CSF OFFERS	43
SECTION 4: INFORMATION ABOUT INVESTOR RIGHTS	44
APPENDIX	47



RISK WARNING

Crowd-sourced funding is risky. Issuers using this facility include new or rapidly growing ventures. Investment in these types of ventures is speculative and carries high risks.

You may lose your entire investment, and you should be in a position to bear this risk without undue hardship.

Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

Your investment is unlikely to be liquid. This means you are unlikely to be able to sell your shares quickly or at all if you need the money or decide that this investment is not right for you.

Even though you have remedies for misleading statements in the offer document or misconduct by the company, you may have difficulty recovering your money.

There are rules for handling your money. However, if your money is handled inappropriately or the person operating the platform on which this offer is published becomes insolvent, you may have difficulty recovering your money.

Ask questions, read all information given carefully, and seek independent financial advice before committing yourself to any investment.



SECTION 2 – INFORMATION ABOUT THE COMPANY

2.1 LETTER FROM THE FOUNDERS

At MediKane, our story began with the development of a plant-based product, the potential of which we didn't fully realise.

We wanted to sustainably develop a product that had a long-term, measurable impact on overall health. With so many natural health products in market claiming health benefits based on single ingredients, we conducted clinical trials to understand whether the complex wholefood product we had developed actually improved people's health and quality of life.

Professionally trained to be cautious with outstanding results, neither my former-drug-developer co-founder Malcolm nor myself believed them, but they turned out to be true. The results from clinical trials showed blood sugar levels were reduced by 2.2 times when patients used our product compared to diet and exercise alone. We tested the product again, and again, and again. The outcomes presented such a breakthrough that the Australian Federal Government provided us with an Australian Research Council (ARC) grant of more than \$2 million to enable us to understand the science behind what we had developed, and why it was working.

What we found was that our product, known now as NutriKane D on the chemist shelf, works by directly supplying the gut with the complex nutrition of whole foods lacking from an overly mass-processed diet. Our unique sustainable manufacturing method combines biochemistry of the sugar cane plant with other natural active ingredients. The combination feeds the gut in the unique way it's designed to be fed - with a combination of whole, unprocessed pre-biotics, dietary fibre and bioavailable micronutrients.

Our gut is naturally designed to process complex wholefoods, which creates a rich microbiome that fuels our overall health for the long term. When this microbiome is unbalanced, our 'biosystem' is impacted, wreaking havoc on our body's unique biological ability to keep us safe – its ability to prevent chronic disease by regulating inflammation and controlling blood sugar levels.

By rebalancing the microbiome with NutriKane D, we discovered that the human body is able to replenish the biochemical pathways needed to effectively control blood sugar levels.

Knowing we had a unique product clinically proven to meet an urgent unmet need, we founded MediKane, a food-as-medicine company developing natural health products with the scientific rigour of pharmaceutical drug development.

Ten years on, demand for our consumer and hospital food-based natural health products is growing faster than we can supply.

Australian-invented and Australian-made, our goal is to expand our sustainable, profitable business internationally from home soil, increasing production and subsequent sales of NutriKane D in Australia and the USA, where demand for our product has never been stronger.

We are delighted to invite you to invest in MediKane, and join us as we bring clinically proven, food-based natural health products to the millions of people living with chronic diseases.

FOUNDERS



Rod Lewis – Chief Executive Officer



Dr Malcolm Ball – Chief Scientific Officer



2.2 COMPANY DETAILS

The offer of shares is made by MediKane Holdings Ltd ACN 147 224 879 ("the Company"). The Company was incorporated on 5th November 2010 and converted to a public unlisted company limited by shares on 19 February 2016.

REGISTERED OFFICE, CONTACT DETAILS AND PRINCIPAL PLACE OF BUSINESS

Avaya House, Level 9, 123 Epping Rd, North Ryde, NSW, Australia 2113

STRUCTURE OF SUBSIDIARIES

Business owners: MediKane Holdings Ltd is a holding Company with three assets, each 100% owned: MediKane Pty Ltd, MediKane Operations Pty Ltd and MediKane USA LLC. All investors and shareholders hold equity in MediKane Holdings Ltd.

Business structure: MediKane Pty Ltd (IP), MediKane Operations Pty Ltd (Trading), MediKane USA LLC (US Sales)

Registration and trading Name: MediKane Pty Ltd

Role: Holds and manages Intellectual Property

ABN: 48 151 362 677

Registration and trading Name: MediKane Operations Pty Ltd

Role: Commercial trading outside USA

ABN: 36 602 322 332

Registration and trading Name: MediKane USA LLC

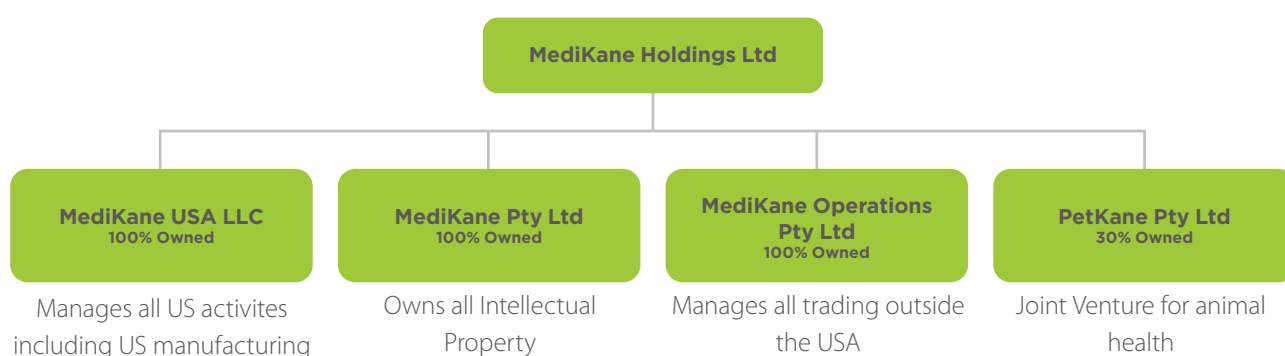
Role: Commercial trading and profit from USA, Canada and Mexico

EIN: 61 1819171

ADVANCED SHARE REGISTRY

This registry provides professional share registry service to the company.

COMPANY & SUBSIDIARY STRUCTURE



MediKane is a Food as Medicine company developing Australian made, natural health products with the scientific rigour of pharmaceutical drug development.



2.3 INVESTMENT HIGHLIGHTS

- 1** Global breakthrough in management of blood sugar levels (diabetes)
- 2** Established demand from global health problem - diabetes
- 3** First mover advantage using MediKane technology and Intellectual Property
- 4** Products developed using pharmaceutical protocols and testing (7 x clinical trials)
- 5** Already in market in Australia, Asia and the USA (US subsidiary established)
- 6** Five separate business streams / separate markets minimise commercial risks
- 7** Forward growing orders from existing customers
- 8** Robust product pipeline – three already developed
- 9** Extensive FMCG and industrial sales and operations expertise
- 10** High barriers to entry for competitors - production and clinical





2.4 WHO WE ARE

Founded in 2011, MediKane is a food-as-medicine company developing Australian-made, clinically proven plant-based health products to prevent, manage and reverse chronic disease naturally.

Our mission is to develop scientifically proven natural products as treatments for specific health conditions that improve the health of people and communities at a global scale.

MediKane's flagship consumer product is NutriKane D, the only clinically proven plant-based health product that lowers blood sugar, naturally. Our plant-based formula has provided the basis of a range of consumer and hospital grade products that can significantly improve long-term chronic health problems including diabetes, bowel disorders, and inflammation-related conditions, including immune health.

With multiple products already in market, our products have proven efficacy supported by clinical trials undertaken by universities, hospitals and medical professionals in both Australia and the USA.

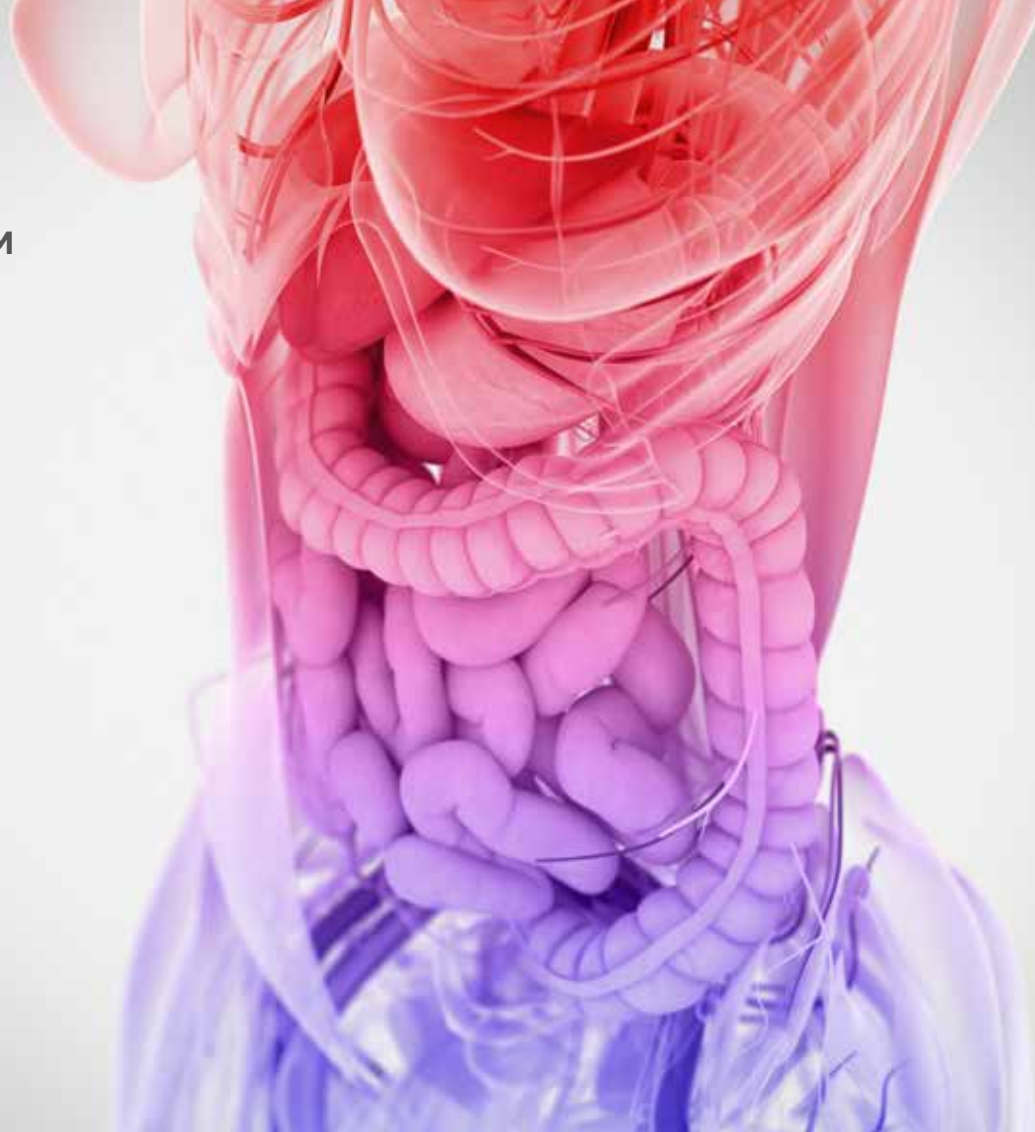
A leading FMCG executive and a former drug developer, our founders Rod Lewis and Dr Malcolm Ball bring a unique combination of 70 years' leadership experience in wholesale food production and manufacturing, global logistics, biochemistry, biotechnology and pharmaceutical development.

With five revenue streams supported by the same IP, the same team and the same supply chain, MediKane is a sustainable business at the threshold of significant growth in addressable markets in Australia, USA and Asia.





2.5 THE PROBLEM



Our food has changed, but our gut has not. Mass produced processed food has replaced whole foods as the mainstay of the modern human diet.

In the past, food provided all the energy, trace elements and other nutrients needed to both nourish and fortify our bodies. Today's diet provides nutrient poor, energy rich foods that are low cost and convenient.

Our gut is naturally designed to process complex whole-foods, which not only nourish our bodies but feed the diverse microorganisms (the microbiome) that live in our gut. A healthy microbiome is essential to overall health and plays a role in all lifestyle diseases. When this microbiome is unbalanced, our whole 'biosystem' is impacted, wreaking havoc on our body's complex biological ability to keep us safe – its ability to prevent chronic disease by regulating inflammation and controlling our energy supply which is blood sugar.

This has caused multiple health problems, including diabetes and poor digestive and bowel health.

Uncontrolled high blood sugar levels can result in diabetes – the world's fastest growing chronic condition – and numerous other preventable chronic diseases.

For the 463 million people currently living with diabetes globally, high blood sugar levels are not only dangerous, they can be deadly.

High blood sugar levels also lead to extremely high risks of blindness, cardiovascular disease, kidney disease and amputations. People living with diabetes also have an impaired immune response compared to unaffected people.

[International Diabetes Federation - Home \(idf.org\)](https://www.idf.org/)



DIABETES - A GROWING GLOBAL PROBLEM

463 MILLION PEOPLE ARE LIVING WITH DIABETES TODAY, THIS WILL INCREASE TO 700 MILLION BY 2045

DIABETES IS THE 5TH LEADING CAUSE OF BLINDNESS GLOBALLY

20% OF PEOPLE OVER 65 ARE LIVING WITH DIABETES

1 IN 6 BIRTHS ARE AFFECTED BY DIABETES DURING PREGNANCY

[Facts & figures \(idf.org\)](https://idf.org)



OTHER HEALTH PROBLEMS THAT DIABETES CAUSES OR MAKES WORSE:

CARDIOVASCULAR DISEASE

Having diabetes increases your chance of developing cardiovascular disease (CVD).

CVD – such as heart attack and stroke – is the main cause of death among people with diabetes. If you have diabetes, you can be up to four times more likely to have a heart attack or stroke than people who don't. Around 30 per cent of people with Type 2 diabetes also have CVD.

[Diabetes and heart disease | Heart Foundation](#)

CHRONIC KIDNEY DISEASE

Chronic kidney disease (CKD) is found in up to 23% of people living with diabetes.

Diabetes is the leading cause of CKD. About 1 out of 3 adults with diabetes has kidney disease.

[Diabetic Kidney Disease | NIDDK \(nih.gov\)](#)

The International Diabetes Federation has stated that ten percent (10%) of global health expenditure is spent on diabetes (US\$760 billion). This has our government's attention.



Today's pharmaceutical treatments cannot reverse or cure diabetes.

LIVING WITH DIABETES

For people with and at risk of developing diabetes, controlling blood sugar levels can require daily invasive monitoring, strict food intake, and in many cases medication.

The effect on day-to-day life varies depending on the severity of diabetes, with some people able to control their blood sugar levels by diet and low levels of exercise, but most require daily use of oral pharmaceutical medications.

Today's pharmaceutical drugs are excellent and allow most people to live with diabetes but global diabetes authorities report that life expectancy is reduced by an average of 10 years.

Diabetes Life Expectancy - Type 1 and Type 2 Life Expectancy

For most people, the condition progresses or gets worse the longer they live with it. Today's pharmaceutical treatments cannot reverse or cure diabetes.

People living with diabetes also have an increased risk of developing other serious health problems affecting the heart and blood vessels, eyes, kidneys, nerves and teeth.

All people living with Type 1 diabetes inject insulin many times per day. Half of people living with Type 2 diabetes for 10 years inject insulin.

UNMET NEED FOR INNOVATION

There are still no medications that can cure diabetes.

Current medications allow people to live with diabetes, but for many the condition gets worse over time, known as progression.

Over the lifetime of a person living with diabetes, it is common for the dosage and drug mix to increase, even though the drugs are very effective at enabling people to live with the condition.

There have been no natural health products clinically proven to consistently lower blood sugar levels and to prevent the 'progression'.

FOOD AS MEDICINE

"Food is Medicine" is a term which was attributed to Hippocrates, the father of Western medicine; it was his belief that eating wholesome food is the basis for good health.

Today science and medicine have now proved that what you eat has profound effects on your overall health, so food really is medicine, particularly as people opt for prevention over treatment whenever possible.

Research shows that dietary habits influence disease risk. While certain foods may trigger chronic health conditions, other foods offer strong medicinal and protective qualities.

Dietary management has been widely shown to help treat diabetes.



OUR INNOVATION - NUTRIKANE D

NutriKane D - a scientifically and clinically proven plant based health product that lowers and helps control blood sugar levels (BSL), naturally.



NutriKane D is MediKane's flagship product - a safe, natural, concentrated Food as Medicine product, clinically proven to effectively control blood sugar levels by nourishing the gut. It is a mixture of raw and natural Australian plants including the whole sugarcane and other plants.

Sugarcane is one of the few plants to use sugar as an energy source. It has all the needed biochemistry to process sugar properly.

NutriKane provides this natural biochemistry to our bodies

The product is a powder-based food that is mixed in water, juice or yoghurt. It is recommended to be taken twice a day as part of a balanced diet.

NutriKane D is a mixture of soluble, insoluble fibre and resistant starch. More importantly though, these fibres are not heavily processed, which means the associated nutrients

and waxes that are naturally occurring in the plants are still present. This mixture of fibres is consistent with many natural vegetable sources. Most importantly NutriKane D is a complex food not just an artificial fibre boost like many of today's supplements. Complex foods are very important to our health.

Most dietary fibre supplements are either highly processed or come from the outer husk of a seed. NutriKane D contains whole grains and active parts of plants. This means it not only contains fibre (which is beneficial in its own right) but also contains many of the essential nutrients and cofactors that the body needs to function. These nutrients are in forms that will survive digestion and be properly absorbed. The ideal approach for controlling BSL is diet control. NutriKane D is a medical food, that has been tested and quality controlled to help patients and healthcare professionals obtain effective diet control.



NUTRIKANE D PRODUCT SUMMARY

1. NutriKane D is clinically and scientifically proven to help not only lowering but also improving Blood Sugar Levels (BSLs).
2. It improves insulin sensitivity which means less insulin is required.
3. Shown to improve long term control of BSL - reducing 'progression'.
4. NutriKane D utilises 3 different Modes of Action each of which directly assists management of BSLs. Being a complex food multiple factors impact each pathway.
5. Unlike single supplements, NutriKane D contains soluble and insoluble fibres, resistant starches, antioxidants and essential minerals, all in bioavailable forms the body needs to manage BSLs and improve the microbiome.
6. NutriKane D can provide an essential part of what is often missing from a healthy diet.
7. NutriKane D directly promotes good intestinal health. It is well known to the medical community that a healthy microbiome has positive effects not only on BSLs but a range of conditions from weight loss (when used as part of a diet and exercise program) to mental health.

TOP LINE CLINICAL TRIAL RESULTS

- ✓ A 2.2 x greater reduction in BSLs when NutriKane D was used, compared with diet and exercise alone.
- ✓ Body Mass Index reduction by 1.1 compared with 0.1 for diet and exercise alone.
- ✓ NutriKane D not only improved results compared to diet and exercise but increased compliance and greatly improved Quality of Life compared to the control group.
- ✓ Individual patients have shown insulin reduction of 36% and oral drug reduction of 33% when NutriKane D was included as part of their doctor-monitored program.

MediKane published clinical trials results





2.6 THE SCIENCE BEHIND NUTRIKANE D



NutriKane is a highly effective Food as Medicine product that returns the microbiome to optimal health, reduces systemic inflammation, and provides the body with many of the nutrients it needs to be able to repair itself.

By giving our bodies what they need, a person can naturally halt the progression and even reverse the effects of lifestyle diseases. NutriKane fits perfectly into a diet management plan and works with the diets recommended by health care professionals.

SEPARATING MEDIKANE FROM COMPETITORS

One of the differences with MediKane products is that we do the test on the final product in the tub or sachet. Most supplements make claims benefits based on research on the ingredients that others have done. In many cases the research is based on a different form of the ingredient that is not always 'bioavailable' – meaning our bodies may not be able to use it.



“What we found is that NutriKane greatly increased the diversity of microbes in the gut which is a sign of good gut health. We also saw an increase in bacteria that have anti-inflammatory properties.”

Professor Ian Paulsen**

FOOD AS MEDICINE AND THE GUT MICROBIOME

Over the last 10 years the scientific community has agreed on overwhelming evidence that intestinal health has far reaching effects on many conditions. Additionally, it has become increasingly clear that “lifestyle diseases” such as Type 2 Diabetes and Cardiovascular Disease require lifestyle solutions. Even Autoimmune diseases such as Type 1 Diabetes and arthritis are known to be better managed through lifestyle choices. It is thought that the most effective way that lifestyle diseases can be managed is through dietary modification of the intestinal microbiome. A large portion of our immune response (as much as 80%) is centred in the intestines and interactions with microbial populations in the G.I. tract (the Microbiome). One of the most widely studied conditions, and the primary focus of MediKane to date, is the degeneration of health that results in Type 2 diabetes and Latent Autoimmune Diabetes in Adults (LADA). The way NutriKane positively impacts inflammation and disease has been scientifically determined and the results proven in animal and human clinical trials (for more information see Appendix).

*More details of MediKane science can be viewed on the website or by application

**Professor Paulsen has provided cosent for inclusion of this statement



2.7 OTHER PRODUCTS IN MEDIKANE'S RANGE

MediKane is committed to selling proven products that treat major conditions through step change improvements in gut health.

All the products in the range and in development are based on the same principles of using natural whole plants, and the health and medical benefits proven by independent clinical and scientific experts.

As well as our flagship product NutriKane D, there are four other MediKane products in market.



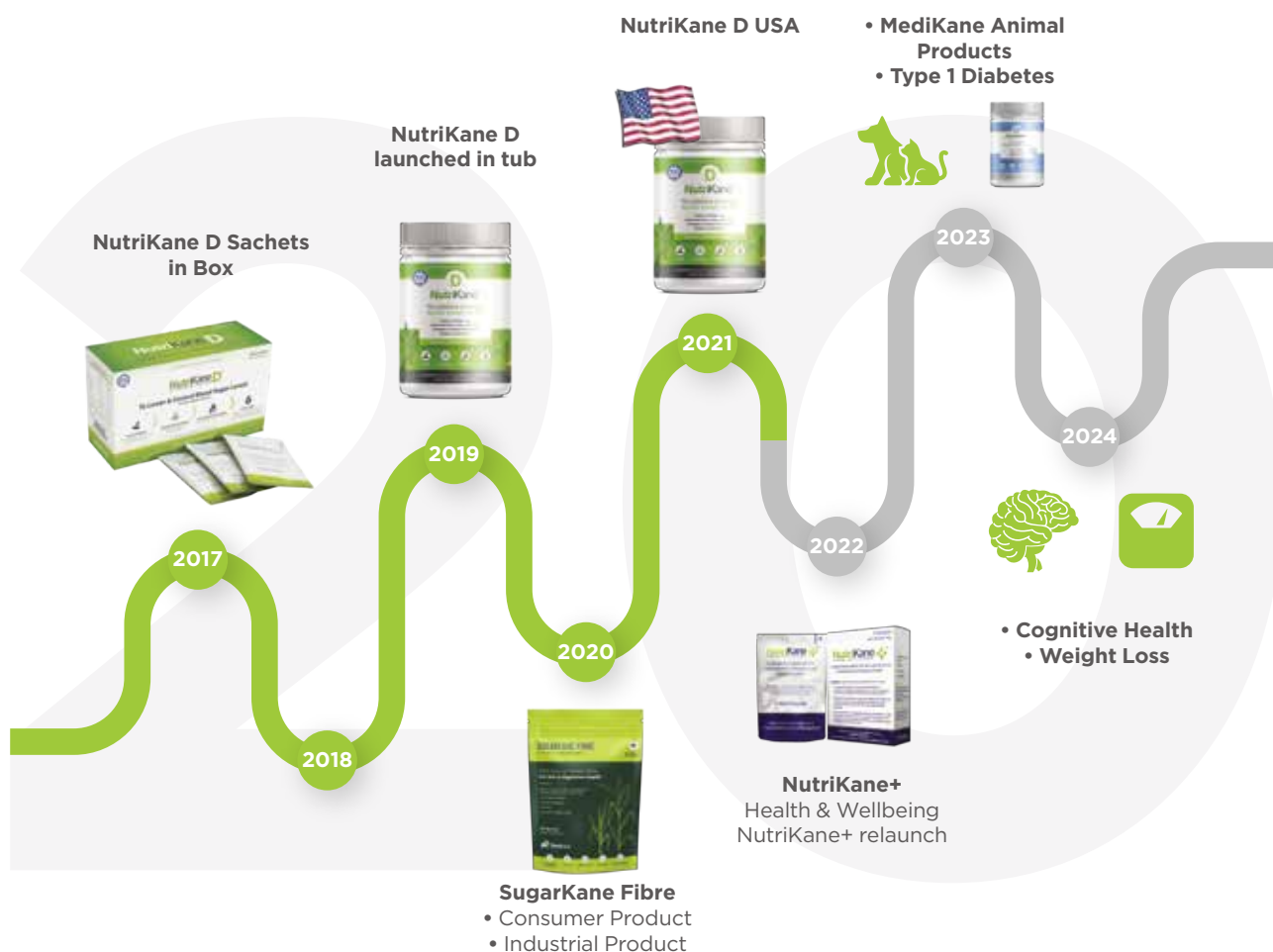
PRODUCT	USER	USER BENEFIT
NUTRIKANE D	People diagnosed as living with diabetes People diagnosed as being 'Pre-diabetic'	<ul style="list-style-type: none"> ✓ Reduce and control BSL ✓ Reduced risks of Cardiovascular problems ✓ Less risk of Kidney Disease ✓ No side effects, cannot be overdosed ✓ Improved immunity health
NUTRIKANE +	People with ongoing constipation problems and people recovering after operations	<ul style="list-style-type: none"> ✓ Restores normal bowel health ✓ Discharge from hospital quicker after operations
SUGARKANE FIBRE - RETAIL PRODUCT	People wanting to increase their dietary fibre intake	<ul style="list-style-type: none"> ✓ Improved bowel health ✓ Reduced risk of many diseases ✓ Reduced risk of diverticulosis ✓ Reduced risk of haemorrhoids ✓ Improved weight control / avoid obesity
PETKANE	Pet owners - mainly dogs and cats but also horses, birds, rabbits and fish	<ul style="list-style-type: none"> ✓ Diabetes ✓ Coat health (shiny / heathy) ✓ Arthritis in dogs ✓ Coeliac and diabetes
SUGARKANE FIBRE - INDUSTRIAL PRODUCT	Food manufacturers Health food companies Cosmetic producers	<ul style="list-style-type: none"> ✓ Improved label declarations ✓ Increased Australian content ✓ Increased natural dietary fibre levels ✓ Improved yield for bakers ✓ Improved baked good performance



2.8 PRODUCT PIPELINE

The product pipeline has been developed on the same principles as today's products, being:

- A product being developed is based on extremely positive pre-clinical trials over the last 18 months. It is targeted at preventing Type 1 diabetes when NutriKane is administered early.
- This work also identified that NutriKane can assist with Chronic Kidney Disease. A treatment for that condition is in the product pipeline.
- The USA agents and distributors have requested specialty products that sell into the current popular and growing market of preventative health. We are working on an immunity product at the request of the US distributors.
- The animal products have been created and expected to result in a range of specialty health products for domestic (pet) dogs and cats. The equine products are being developed in conjunction with Australian veterinarians. The UK distributor has requested 'bespoke' products for the United Kingdom.





NUTRIKANE+

NutriKane+ was the first MediKane product developed. It was clinically tested in the Royal Melbourne Hospital and the USA in four separate patient groups where it was shown to manage bowel health and minimise constipation risk in at-risk patient groups.

It is a natural, safe product that has been clinically proven to improve post-operative bowel function and reduce ongoing (chronic) constipation. It is based on the same breakthrough science as NutriKane D but formulated to assist post-operative management of constipation and bowel health.

It was directly compared to market leading products and worked successfully on 88% of patients where competing products failed. During the trials, patients with high blood sugar reported consistent BSL reductions – that is one reason NutriKane D was then developed.

NutriKane+ does not interfere with carb calculations, is low FODMAP, and a safe, natural food that can be taken with existing medications, with no side effects.

MEDIKANE SUGARKANE FIBRE

MediKane dietary fibre is a natural Australian plant-based product with the benefits of both soluble and insoluble dietary fibre. It is a proven pre-biotic and designed for your gut and healthy living. The product meets a growing consumer need to increase dietary fibre in their diets. Several other types of dietary fibre are being developed.

SUGARKANE INDUSTRIAL FIBRE

The food processing industry is trying to lift their game after the press showed many common foods contain excessive highly processed ingredients, high levels of added sugar and salt. The industry is now focused on improving the health of their products and their label claims.

Our product has a major role to play as manufacturers want to increase the levels of dietary fibre. The MediKane team are experienced in this global market and starting to supply Australian food manufacturers.

ANIMAL PRODUCTS

NutriKane works the same way in animals as in humans. We have tested NutriKane in dogs, cats and horses for over 5 years and proven it helps our pets as well as ourselves. We have connected with a global network of veterinarians and other animal lovers and formed a Joint Venture with one group. The products will be supplied in powder form in tubs and bags. Horse customers have requested 10 kg tubs of the product.



OTHER PRODUCT OPPORTUNITIES



SPORTS RECOVERY PRODUCT

It has been shown that the base NutriKane technology has a very positive effect on improving an athlete's speed of recovery from high intensity exercise. This is a direct result of NutriKane's demonstrated ability to improve gut and microbiome health. One of our White Label customers already markets this benefit.

WEIGHT MANAGEMENT / MEAL REPLACEMENT PRODUCT

We have developed a full meal replacement product, tested it and it's ready for launch. Our US agents are likely to request the product either as a MediKane branded product or a White Label.

RETAIL GUT HEALTH PRODUCT

MediKane's NutriKane+ used by hospitals post operatively and a retail version of the product has been developed and will be launched in 2022. The product will target personal use at home and also Aged Care residents.



2.9 MARKET

MediKane's products service a number of high value global markets. Gaining even minimal market share in one or all of these will lead to significant sales and growth.



FOOD AS MEDICINE

GLOBAL MARKET VALUE:

US\$309 Billion by 2027

There is a growing consumer demand for non-pharmaceutical preventative health products in the 'food as medicine' category. The global functional food market is expected to reach US\$309 billion by 2027 and the global natural health supplements market is estimated to reach nearly US\$70 billion by the end of 2024.

There is also demand for natural food solutions to diabetes care in this market. In 2016, approximately 16.1 million US households claimed they were using food to treat diabetes.

Ref: Precedence Research, Persistence Market Research, Natural Product Insiders



DIABETES

GLOBAL MARKET VALUE:

US\$760 Billion

There are 463 million people currently diagnosed as living with diabetes and another 374 million people at risk of developing Type 2 diabetes.

In Australia, there are about 1.3 million people diagnosed as living with diabetes, and another 500,000 undiagnosed.

The total annual community cost impact of diabetes was estimated at \$14.6 Billion by the National Centre for Biological information.

Ref: The cost of diabetes in adults in Australia - PubMed (nih.gov)

It is a real pandemic of the 21st century, now becoming one of the biggest challenges confronting Australia's health system and globally, and the fastest growing chronic condition in Australia – increasing at a faster rate than other diseases such as heart disease and cancer.

Diabetes is also growing at a pandemic rate in the United States.

Ref: Centers for Disease Control and Prevention (CDC).

[International Diabetes Federation - Home \(idf.org\)](https://idf.org)



POST-OPERATIVE TREATMENT

GLOBAL MARKET VALUE:

US\$2.5 Billion growing at 4.4 % p.a.

Improved microbiome and gut health delivers many proven health benefits including a reduction of bodily (systemic) inflammation as well as improved bowel health. This led the MediKane team to use the base technology to help manage bowel health (including regular movements) and also post-operative hospital products. Over 60% of patients in hospitals have Opioid Induced Constipation from the very effective pain management drugs required during and post operations.

Ref: Global Opioid-Induced Constipation Market 2020 by Manufacturers, Regions, Type and Application, Forecast to 2025 - Marketsandresearch.biz



ANIMAL HEALTH

GLOBAL MARKET VALUE:

US\$637 million (2019) growing at 6.4 % p.a.

Factors driving the market include changes in socio-economic aspects and the humanisation of pets. Pet supplements are used for dogs, cats, horses, birds, rabbits, and fishes in the form of multivitamins, minerals, prebiotics, antioxidants, and fatty acids such as Omega-3, 6, and 9.

Ref: Pet Care Market Size, Research & Trends | Industry Report, 2018-2025 (grandviewresearch.com)



2.10 BUSINESS STRATEGY

Over the next year our focus will be to build on growing sales of our flagship product NutriKane D in Australia, giving us the launchpad to build market share in the USA and other key global markets. We will continue to grow sales across our multiple product lines, whilst working on the next generation of MediKane gut-health products.

MediKane's long-term objective has always been to become a global leader in the development of safe, plant-based health products to help specific acute and chronic health problems. We have spent the last 10 years building the foundations to take our Australian innovation global. Focus on our five key objectives over the next 12 months will see us take significant steps in achieving these goals.

1. BUILD ON SALES OF NUTRIKANE D IN AUSTRALIA AND INCREASE SHARE OF VOICE

Today our flagship product NutriKane D can be found in health food outlets, pharmacies, and three online sales platforms.

Proceeds from our capital raise will be used to increase sales and awareness of NutriKane D into key market segments with several strategic selling initiatives. This increase in sales will give us the capital to accelerate our overall growth plans.

Key activities include:

- Driving sales with sales initiatives that worked well during our multiple market trials
- Sales promotions – online and instore – provides branding and store support
- Increase digital marketing and advertising to directly target NutriKane D customers
- Expanding the number of retail distribution outlets

stocking NutriKane D in targeted pharmacies and health food stores

- Use of product sampling programs to increase awareness and usage
- Proven way for NutriKane to increase awareness and sales
- Customer purchase following sampling is above 35%
- Customer average purchase is \$600 – sampling cost is \$20 per unit
- PR and thought leadership campaigns
- Position MediKane as experts in the Food-as-Medicine space
- Increase awareness of our products with consumers and key opinion leaders
- Developing partnerships with patient advocacy groups and health influencers
- The expansion and recruitment of the inhouse sales and marketing functions

2. BUILD MARKET SHARE OF NUTRIKANE D IN USA

Bringing our food-as-medicine products to the USA has always been MediKane's ultimate business goal. More than 34 million people in the USA are living with diabetes, more than 88 million adults have pre-diabetes, and there is a growing demand for natural health solutions to this problem.

[Statistics About Diabetes | ADA](#)

Four years ago we established our US subsidiary, MediKane USA LLC, which is led by the former Vice CEO of Diabetes Australia, Michael Goldman. Michael brings years of experience, networks, and contacts in this space, and is still strongly associated with Diabetes Australia and the International Diabetes Federation.

In this time, we have been focussed on developing relationships within the medical, retail and manufacturing community to give us the foundations and insights needed to expand our sales and operations. This has resulted in early sales of \$35,000 to date of MediKane branded product plus White Label sales. As well as the business foundations we have also conducted two hospital trials – one in New Jersey and one in Libertyville Illinois near Chicago.



Over the next 12 months we will build on these foundations and increase sales of NutriKane D with the following key activities:

- Finalise distribution agreements with national health and wellness distributors
- Partner with an experienced Amazon agent to increase direct online sales of NutriKane D
- Run dedicated USA marketing and PR campaigns to target influencers, key opinion leaders and patient advocacy groups
- Re-engage with hospital group in Chicago (held over due to COVID last year)
- Build out the MediKane USA business unit with recruitment of US-based specialists
- Influencer marketing campaign – a low cost and agile activity
- Finalise selling arrangements with agents in Nevada and North Carolina
- Commence a project to build an ingredient plant with MediKane in-house IP
- Improve operational efficiencies and supply chain management
- Commence sales to the Advocate Hospital group in Illinois
- Explore future clinical trials with key target patient groups and increase awareness of our product with medical community

3. EXPAND PROFITABLE PRODUCT LINES

As well as NutriKane D, MediKane has four other revenue streams supported by the same IP, the same team and the supply chain – white label, industrial, medical and animal health.

Over the next 12 months we will focus on increasing sales and launching new products within these revenue streams to help support our key growth area of targeting the global diabetes market with our product IP.

As well as increasing our sales volumes, revenue and profits, having five different markets also reduces business risk as we are not reliant on any one market.

For more detailed information on these revenue streams and growth plans please refer to Business Model section

4. FURTHER GROWTH INTO KEY GLOBAL MARKETS

As well as the USA we already have distribution agreements in Thailand and the Philippines and sales to China for our white label revenue streams. Over the next 12 months we will increase our sales into these markets, as well as targeting Malaysia, Vietnam and other Asian opportunities.

Once established in the USA we also plan to replicate this market penetration strategy into other related markets that rely upon the USFDA regulations, such as Canada, Mexico, Central America.

5. NEW PRODUCT DEVELOPMENT

MediKane is a company founded on science, and we are focussed on developing the next generation of gut health products to help people living with a range of chronic health conditions.

Over the next 18 months we will continue development of a product specifically for people living with Type 1 diabetes that was assessed by the Kolling Institute and Royal North Shore Hospital (RNSH). We have also commenced development of a product for Chronic Kidney Disease which is a comorbidity of diabetes. A pre-clinical trial at the RNSH delivered extremely positive results.

As well as new products, we are constantly focussed on improving the efficacy of existing NutriKane products by use of new natural Australian ingredients. Three new ingredients have been approved for use in NutriKane products that improve its health benefits.

In terms of ease of use, we are also exploring the possibility of producing a single serve liquid drink for people who prefer that form of delivery and also capsules as another delivery option. A single serve liquid 'Ready to Serve' product was first requested by hospital groups who wanted a product that is easier for elderly people to consume.



2.11 BUSINESS MODEL

With five revenue streams supported by the same IP, the same team and the same supply chain, MediKane is a sustainable business at the looking forward to significant growth in addressable markets in Australia, Asia and the USA.

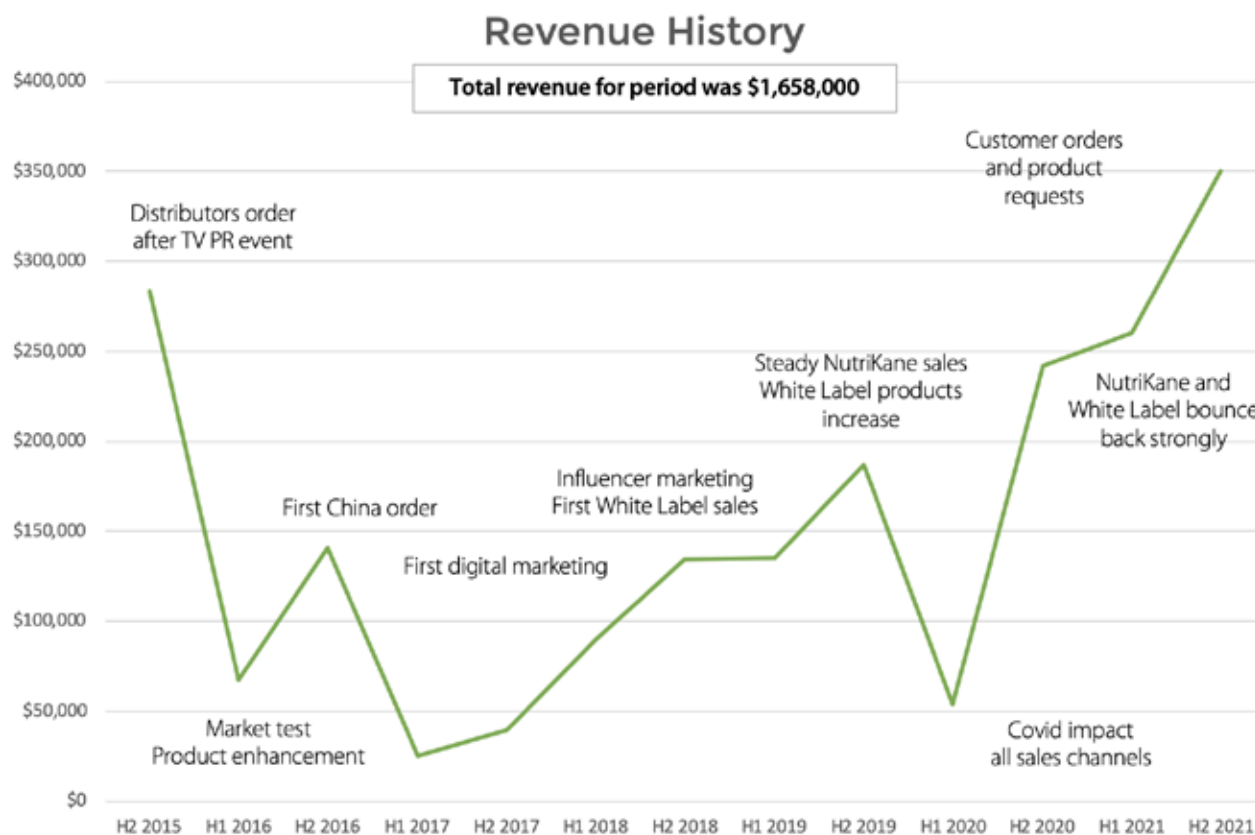
The business model used by MediKane is to manage sales, marketing, strategy and business performance internally and outsource non-strategic functions.

All products in the MediKane range were development on the same principles of using natural whole plants, and the health and medical benefits proven by clinical and scientific experts.

The Revenue Model is slightly different for each of the market segments. Products are sold at both retail and wholesale and in some cases supplied direct to customer.

We have minimised marketing, commercial and competitor risks by creating five separate sales areas, but all using the same technology and production processes. If consumer preferences or government regulations change in one market, the other markets should not be affected.

Revenue commenced after product development and market consumer testing. The first years after incorporation we developed, then scientifically and clinically tested our products. In 2016 we commenced market and consumer acceptance testing.





MARKET SEGMENTS



HEALTH SEGMENT

NutriKane D is sold direct to consumer and wholesale.

Direct to Consumer

Online sales of NutriKane D have generated \$310,000 in sales since the launch of our Shopify platform in June 2016. Of this \$235,000 is repeat customer sales (ordered more than once). The average value of a repeat customer is \$600.

To date \$15,000 has been spent on direct digital advertising activities. We plan to invest proceeds from this capital raise in increasing our digital marketing and advertising capacity and budgets to increase direct-to-consumer sales to \$400,000 FY21-22.

Distributors

NutriKane D is currently stocked in 15 retail outlets including Mr Vitamins stores and independent pharmacies. Over the next 12 months our target is to increase that to 100 through distribution agreements with national pharmacy chains. We will also appoint selected distributors to cover independent health food stores.

NutriKane D is also sold online via Pharmacy Online, Mr Vitamins online stores and Buy Natural. Another area of growth will be to target more online health and nutrition platforms to increase our affiliate online sales.

MediKane makes Gross Margins of 60% through distributors.

United States

US sales are still modest but growing through a healthcare

group. We have two requests from retail marketing companies for extremely high volumes which we are not currently geared to supply. It is a key reason to build manufacturing capacity using MediKane IP in the USA in 2023.



WHITE LABEL SEGMENT

NutriKane base product is also sold under white label to three clients in Australia who sell in Australia and Asia. This is a high margin revenue stream for MediKane with Gross Margins varying from 52% to 65%. The White Label channel enables MediKane to sell products with minimal risk - we are paid 50% with order and balance on delivery in most cases.

MediKane has no marketing costs associated with White Label products.

To date there have been \$573,000 of white label sales. In FY21-22 we are targeting \$1m worth of sales based on customer offtake orders and requests.



INDUSTRIAL SEGMENT

Twelve months ago we established an industrial segment to service the global industrial food ingredient market where our directors have extensive experience.

The customers in this market are the large food manufacturing companies. These companies use large amounts of dietary fibre and require ingredients that are consistent and comply to their 'natural' product positioning statements. MediKane product fully complies with all target jurisdictions.

We have appointed an agent with customer networks in Australia, USA and Europe to drive sales. We developed this to establish another revenue stream from our existing supply chain, and also to improve operating efficiencies that can accompany increased throughput volumes.

Margins are low for this segment being below 40% but volumes are large and our network reach includes the majority of global and large local manufacturers.

We will engage additional local (USA and European) distributors from 2022.



MEDICAL SEGMENT

Our post-operative constipation product NutriKane+ has been enhanced to improve mouthfeel following customer and patient feedback from hospitals and aged care facilities in Australia.

The new NutriKane+ product will be launched in Q4 2021 through a sales agent appointed to build awareness and market share with hospitals and distributors. We will also make representations to Government as the product can assist in reducing healthcare costs by getting patients out of hospital quicker.

As the procurement process in hospitals has a long lead time, we are targeting sales of \$100,000 for FY21-22. Margins for this product in Australia are 60%.



ANIMAL SEGMENT

We recently established a joint venture with PetKane to target the lucrative animal health market in Australia. We already have forward orders for the horse market and have product under test with two equine groups. We will also launch companion animal (dogs / cats later in 2021) for pet diabetes, arthritis and coat health.

MediKane has a commercial Joint Venture arrangement with PetKane who has licenced use of MediKane IP for animal market. PetKane will purchase all stock from MediKane.

Year 1 revenue is targeted at \$200,000. PetKane will provide all management, sales, marketing and management costs and be responsible for customer management and payments from its customers.



PRODUCTION BREAKTHROUGH

We make our products in Australia. All the key ingredients are grown in Australia and we use a multi step process to avoid anyone learning our processing details.

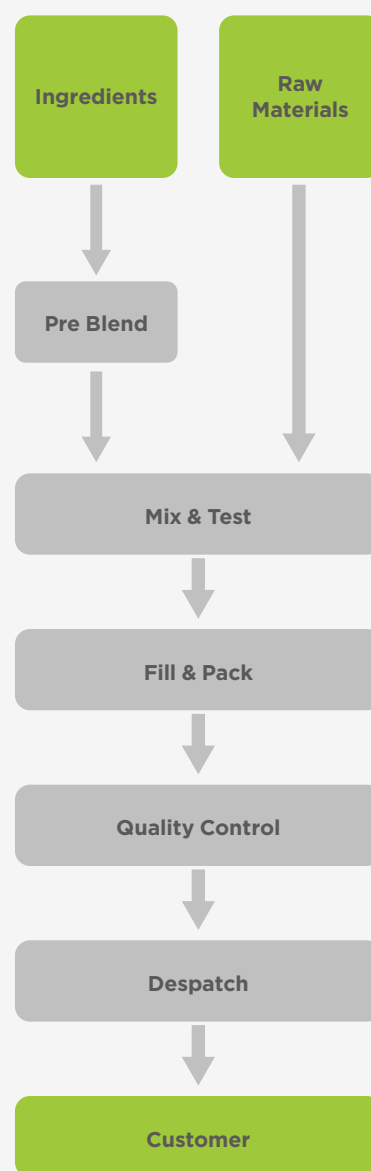
Raw materials are made by partners in Orange NSW, Northern NSW and Southern Queensland, using MediKane Intellectual Property, which is strongly protected.

Blending of minor ingredients is done by one supplier and a different supplier adds the major ingredients and packs into tubs or sachets. We have two packing suppliers one in Sydney and one in Northern NSW.

The process has been developed by MediKane scientists and engineers from a number of earlier versions. The MediKane process is the most effective at preserving the essential nutrients in our raw materials because it is a 'minimalist' process. It avoids the highly processed nature of most food products on offer in Australia (and globally) and we are constantly improving it.

We are currently sending finished product to the USA and other countries. Within 6 months we expect to be sending high volumes of bulk product to the USA for packing. That will reduce the time to supply our customers and reduce costs.

Directors note that when we are supplying the very high product volumes our US agents and distributors are requesting, we are likely to build an ingredient manufacturing plant in 2023 in the South of the USA. To control and protect the Intellectual Property and process, the plant will be fully owned and staffed by MediKane USA personnel. The plant will cost approximately US\$1 million and expected to be funded by debt in conjunction with trading partners





INTELLECTUAL PROPERTY

MediKane has IP in the forms of Patents; Trade Secrets; Trademarks, Brands and customer lists. The table below summarises the current patent position. Over the next 2 years MediKane intends to extend the patent portfolio to support products targeted assisting people living with Type 1 diabetes, with Chronic Kidney Disease, gestational diabetes and several related comorbidities.

The technical IP including patents applied for and granted were developed by Gratuk Technologies Pty Ltd (ABN 63 136 120 084). Gratuk has transferred the rights for all the IP listed below to MediKane Pty Ltd (100% owned Subsidiary of MediKane Holdings Ltd).

- Australian Patent No. 2016259380
- Australian Patent No. 2013230671
- Canadian Patent Application No. 2,866,184
- Chinese Patent Application No. 201380012443.6
- Japanese Patent No. 6549376
- New Zealand Patent No. 700067
- United States Patent Application No. 16/920,272
- United States Patent Application no. 14/383,183
- Australia Patent No. 2014246718
- New Zealand Patent No. 712924
- Australian Patent No. 2016262657
- European Patent Application No. 13757409.1
- Japanese Patent No. 6218756
- New Zealand Patent No. 700074
- Australian Patent Application No. 2015274249
- Canadian Patent Application No. 2,988,787
- European Patent Application No. 15805905.5
- New Zealand Patent Application No. 728242
- United States Patent No. 10,245,294



REGULATIONS

MediKane operates in the emerging “Food as Medicine” market that as yet has no global standardisation although most countries have their own standards and regulations against which products can be assessed.

As food-based products, NutriKane products do not require regulation and registration as pharmaceuticals by Australia’s Therapeutic Goods Administration (TGA) or the US Food and Drug Administration (FDA).

AUSTRALIA & NEW ZEALAND

MediKane has consciously decided to not pursue pharmaceutical classification in Australia for current products and this works to the advantage of the company. As a food (i.e. non-pharmaceutical, non-complementary medicine), MediKane is free to actively advertise and promote the products; the products can be sampled directly to consumers; promotional materials can be provided to General Practitioners for distribution to patients; and while the company cannot make claims regarding efficacy for the treatment or prevention of disease, the product can be openly endorsed by national organisations to promote efficacy, application and relevance (e.g. the Australian Diabetes Educators Association is free to promote NutriKane D as an effective diabetes treatment). Market positioning for the diabetes product is ‘management of Blood Sugar Levels’ which is accurate, proven and adheres to appropriate labelling laws. It is also immediately recognised by our target customers.

Very significantly and directly supporting this position, Food Standards Australia New Zealand (FSANZ) has confirmed the classification of MediKane products as Foods, and have registered and approved the health claims of MediKane products as contributing to the maintenance of blood sugar levels and for maintaining intestinal health.

MediKane products qualify for classification as Complementary Medicines in Australia and also the category of “Foods for Special Medical Purposes”, however this registration has not been pursued to date, with speed to market being prioritised and a desire to actively pursue advertising and promotional opportunities, which would not be available under a complementary medicine registration. This position will be re-evaluated for future products depending on demand, feedback from the market and product performance.

USA

In the USA, unlike Australia, Medical Foods and Drugs can be actively advertised – and they are, heavily. MediKane products are currently ‘allowed’ as all component ingredients are individually considered GRAS (Generally Regarded As Safe). This is the most valuable classification for MediKane’s products as it means there is no impediment to making the products available for sale. The products can be registered with the USFDA under the Dietary Supplement Health and Education Act of 1994(DSHEA) and also qualify as Medical Foods. These classifications are attractive to some customer groups; however, they also have disadvantages. When the USA market research has been finalised, the Medical Foods classification and positioning will be formally assessed, however in the meantime, the products are being sold in the USA under the food regulations.

OTHER JURISDICTIONS

The products are currently registered as Foods in China which is the quickest path to market and allows the product to be made available for sale

In Thailand the Thai FDA has been approached by our agent and a distributor and can be allowed under the regulations. The agent has had multiple Australian food products approved and NutriKane approval is expected to be complete this calendar year.

Most country regulatory authorities closely follow the USFDA. Importantly, MediKane’s strategy is focused on the USA and other territories are welcome additions but not critical to our success.

REGULATION CHANGES

There are no significant changes forecast in MediKane’s key markets.



DIRECTORS



ROD LEWIS

DIRECTOR & CEO

Responsible for providing strategic, financial and operational leadership for the company and will closely coordinate and work with the Board of Directors and senior leadership team.

Rod's experience and skills are a result of working in different fields and industries. He started with degrees and other qualifications in science (diabetes biochemistry) and management.

He went from hands-on roles of product development, production, and construction of manufacturing and distribution facilities, was then promoted to senior commercial roles where he developed excellent commercial judgement and people management skills.

His roles at Heinz, Cadbury Schweppes, The Fosters Group, BOC Gases and Legrand taught him the value of good leadership, and the outcomes of bad leadership. He is demanding of staff but also encouraging. He ended up in senior leadership roles in all the organisations since his late twenties.

Now his focus is coordinating a group of people with diverse backgrounds to work together to build a strong business that makes a difference and the team proud.



DR MALCOLM BALL

DIRECTOR & CSO

Responsible for technical innovation and product development, creation and maintenance of Intellectual property and the IP strategy.

Our resident innovator, Dr Ball has designed and obtained regulatory approval for 41 products in the food, medical device, bioanalytical and pharmaceutical areas. Dr Ball holds a PhD from Macquarie University (2002) and has been recognised as a Fellow of Macquarie University.

Prior to co-founding MediKane, Dr Ball worked as lead researcher and team leader for many technical organisations including the Cooperative Research Centre (CRC) for Eye Research and Technology, Head of Proteomics at Apollo Life Sciences and Senior Scientist in proteomics at Fluorotechnics Pty Ltd. He also consulted on projects for CibaVision, Johnson & Johnson, Macquarie University, Medical Therapeutics Pty Ltd and Novotech Pty Ltd.

Dr Ball supervised PhD students related to the A.R.C. grant (obtained in partnership with Macquarie University), which was focused on MediKane products and technology. The grant was the subject of three separate work streams at Macquarie University. Dr Ball is an accomplished and in demand speaker, with regular invitations to contribute and speak at technical conferences.

These opportunities are important to Dr Ball's role with MediKane, and they have become a critical component to demonstrate the MediKane technology and product efficacies.



DAVID SLATYER

DIRECTOR & CFO

Has primary responsibility for the planning, implementation, managing and running of all the finance activities of a company, including business planning, budgeting, forecasting and negotiations.

Dave is a commercial CFO with expertise in strategy execution, project management and delivery. He has over 30 years' experience at senior levels in accounting, financial management and corporate administration across a range of industries including FMCG, wholesale distribution, manufacturing and financial services. Dave brings the rigour required to monitor and control organisational performance as well as ensuring compliance with the law and the needs of regulators.

Dave has held senior management roles with companies such as Kimberly-Clark Australia, The Greater Union Organisation, Challenger Financial Services Group and Stuart Alexander & Co. His background includes transaction and treasury services, company secretarial and corporate administration functions including due diligence, capital raising, dividends and bonus issues and corporate governance advisory services.

Dave's experience in complex contract negotiations, out-source warehousing and distribution functions, negotiation and execution of business acquisitions is critical to the organisation as it grows locally and internationally.



MICHAEL STOVIN-BRADFORD

DIRECTOR - MARKETING

Development and management of marketing strategies, brand positioning and leading product development.

In addition, he is responsible to review sales and profitability of all products in all territories and maintain a working knowledge of customer needs and preferences.

Brings marketing experience with multinationals such as PepsiCo, Simplot and Unilever. He also brings insights gained from running his own successful consultancy for 24 years. Time spent across the marketing spectrum has taught Michael the value of having a structured marketing process and how it delivers sales. Understanding the right communication channels is necessary for maximising the effect of marketing dollars. Michael's successes include launching a new channel for Pizza Hut in Australia and growing market share for Simplot in all categories. His consultancy helped major businesses such as the Commonwealth Bank, Kellogg's and Nestlé, with many contracts lasting 3 to 8 years.



TEAM MEMBERS



PETER W BAKER

DIRECTOR & VP COMMERCIAL

Responsible for development and negotiation of both major customer, distributor and selling agent contracts. In addition has responsibilities to advise the board on corporate governance and legal obligations.

Peter is a big picture person who pays attention to the right detail to create outcomes and deliver results. Peter is a well-rounded senior leader and has considerable experience navigating tough commercial situations. Peter has a Master's degree from the London School of Economics and an MBA from the University of Chicago. He has over 30 years' experience as a senior executive in a broad range of challenging situations from consulting and developing strategy to public and private M&A, Board Director and Chairman experience.

Peter has a demonstrated ability to succeed across industries, environments and geographies, both locally and internationally. With a track record of taking charge and successfully completing difficult projects, Peter has navigated challenges including James Hardie's asbestos compensation arrangements, government negotiations, media relations, investor relations as well as Asia Pacific operations. Peter sold MIA's (a radiology group) UK pathology operations; project managed the sale of MIA by a Scheme of Arrangement; project managed and set up operations for the TNT Sydney Monorail; started up operations in Italy and Argentina for TNT Logistics; and planned and led successful trade missions on behalf of the Governments of Bangladesh, India and Fiji.



MICHAEL GOLDMAN

CEO MEDIKANE USA

Overall responsibility for establishing the business in the USA, US agents, and distributors.

Michael is an experienced, results oriented leader who is passionate about health and wellbeing issues and whose unique mix of experience perfectly suits the requirements of managing the US operation of MediKane.

Originally from the USA, Michael graduated from Sydney University Law School, then worked in Sports and Event Management with global companies International Management Group (IMG) and SFX Sports Group working alongside identities Greg Norman, Pat Rafter and Michael Doohan.

Michael then worked with leading sponsorship accounts for the Sydney Organizing Committee for the Olympic Games (SOCOG) and then turned his attention to Social Enterprises. He led the team that authored the strategy and business plan establishing the Taronga Conservation Society, which raised \$60m to rebuild Sydney's iconic zoo and its sister property at Dubbo, the Western Plains Zoo.

Leadership roles at Surf Life Saving Australia and Starlight Children's Foundation followed before joining Diabetes Australia Victoria as the Deputy CEO and Chief Operations Officer. He concurrently acted as the General Manager of Commercial Operations for Diabetes Australia making him responsible for all non-government revenue and all non-clinical business divisions including Marketing, Communications, Membership, Retail, HR and Fundraising.

Since moving to Charleston South Carolina, USA, he has been appointed to the 'Health & Wellness' advisory group to the Mayor of Charleston. That appointment has yielded significant benefits for MediKane.



2.13 CAPITAL STRUCTURE

ISSUED CAPITAL

As at the date of this CSF document, the Company has 33,131,628 Ordinary shares on issue to sixty-six shareholders. No other share types or classes exist.

There are nine holders of convertible notes which if all converted to equity will result in the issue of 1,964,796 Ordinary shares. The convertible notes issued to Rod Lewis and David Slatyer were issued on 12 March 2020 with a maturity date of 24 months. The convertible notes issued to other shareholders have all passed their maturity dates and the Company has not received any request to convert these notes to Ordinary shares.

Table 1: Issued capital of the Company before the Offer

SHAREHOLDER	SHARE TYPE	SHARES	CONVERTIBLE NOTES	FULLY DILUTED
Rodney Lewis	Ordinary	4,440,889	1,518,638	5,959,527
JAFGL Investments	Ordinary	3,747,437	Nil	3,747,437
David Slatyer	Ordinary	2,571,240	136,671	2,707,911
Gordon Edwards	Ordinary	2,498,292	Nil	2,498,292
Malcolm Ball	Ordinary	2,487,675	Nil	2,487,675
Michael Stovin-Bradford	Ordinary	2,310,687	Nil	2,310,687
Peter Baker	Ordinary	2,188,884	Nil	2,188,884
Michael Goldman	Ordinary	2,048,522	Nil	2,048,522
Ball family Trust	Ordinary	1,873,719	Nil	1,873,719
Rafe Dickinson	Ordinary	1,030,570	Nil	1,030,570
Sub-total		25,197,915	1,655,309	26,853,224
Other Shareholders	Ordinary	7,933,713	309,487	8,243,200
Total		33,131,628	1,964,796	35,096,424

Table 2: Issued capital of the Company following the Offer

SHARES	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
On issue pre-offer Fully Diluted	35,096,424	35,096,424
Offer shares	438,596	1,491,228
Total on issue post-offer Fully Diluted	35,535,020	36,587,652

DEBT FUNDING AND OTHER SOURCES OF FUNDING

1. Business Overdraft (limit \$30,000) \$24,085
2. Flexible Business Loan (limit \$30,000) \$25,284
3. Convertible Notes -Total funding of \$477,207 has been made available to the group through the issue of convertible notes. Of this total amount two directors currently hold convertible notes to the value of \$302,607 which will be converted to equity.



RIGHTS ASSOCIATED WITH ORDINARY SHARES

As at the date of this Offer, the only class of shares on issue are ordinary shares.

There is no shareholders agreement between the existing shareholders and as such, the rights and liabilities associated with the shares are as set out in the Company's constitution.

Under the Constitution, the Board has the power to refuse a transfer of shares to a third party. A more detailed description of the rights and liabilities associated with the shares is set out in Section 3.3 below. A copy of the Company's Constitution is available on the Intermediary's platform.

VOTING RIGHTS

Each shareholder has one vote on a show of hands and, on a poll, one vote for each share held.

ELECTION AND REMOVAL OF DIRECTORS

Shareholders may vote to elect and remove directors at a general meeting by way of special resolution (75%).

GENERAL MEETINGS AND NOTICES

Directors have the power to call meetings of all shareholders. Shareholders who hold at least 5% of the votes which may be cast at a general meeting of the Company have the power to call and hold a meeting themselves or to require the directors to call and hold a meeting.

DIVIDENDS

All shareholders have a right to receive any dividends declared and paid by the Company. The directors have a discretion and may resolve to pay dividends, subject to their obligations under the Corporations Act (e.g. they cannot pay dividends unless the Company's assets are sufficiently in excess of its liabilities immediately before the dividend is declared and where it may materially prejudice the Company's ability to pay its creditors).

WINDING-UP

If the Company is wound up and there are any assets left over after all the Company's debts have been paid, the surplus is distributed to holders of ordinary shares after secured and unsecured creditors of the Company.

LOAN SHARE PLAN

A Loan Share Plan was implemented during the 2016 financial year. The objectives of this plan are to:

- Provide the Board with a mechanism to retain key consultants and employees and provide appropriate incentive measures going forward,
- Enable retention of cash resources within the business to fund working capital and meet liabilities, and
- Compensate key consultants and employees for the business development phase.

Under this plan the Company gives the employee or consultant a non-recourse loan to acquire shares in the Company at market value. The loan granted equals the amount of salary or consulting fees owing to employees but not paid. In the balance sheet the total amount of loans receivable from share plan participants equals the amount of unpaid salaries and consulting fees. Employees are rewarded for capital growth in the shares and the Company is no worse off financially.

RELATED PARTY TRANSACTIONS

1. Research and Development Tax Incentive Claim

Gratuk Technologies Pty Ltd (a related party to MediKane Holdings Ltd) has received a total of \$1.5 million in R&D tax incentive claims since 2013. This funding has been used for product development and securing the required intellectual property. Loan finance advanced by FIFO Capital against the current year tax incentive is \$230,493. There is a deed of cross collateralisation between MediKane Holdings Ltd and Gratuk Technologies Pty Ltd for the amount of this loan finance.

Gratuk developed the products, the IP, oversaw clinical trials and transferred the IP to MediKane. Two of MediKane's directors are also directors of Gratuk. MediKane has the first right of refusal to future IP developed by Gratuk but not an obligation to use Gratuk.

2. Government Grants

Gratuk Technologies Pty Ltd in conjunction with Macquarie University secured award funding of \$2.1 million via an Australian Research Council Grant in 2016. This funding was paid directly to Macquarie University to fund research into the science of the Company's products.



2.14 FINANCIAL INFORMATION

AUDITED ACCOUNTS

Below are the consolidated financial statements of MediKane Holdings Ltd incorporating the following subsidiary companies:

1. MediKane Operations Pty Ltd
2. MediKane Pty Ltd
3. MediKane USA LLC

The audited consolidated financial statements for the financial year ended 30 June 2020 have been prepared in accordance with the Accounting Standards. Financial information for the 11 months to 31 May 2021 has also been included and is unaudited. This information is based on management accounts and may accordingly be subject to change.

MEDIKANE HOLDINGS LTD GROUP CONSOLIDATED PROFIT & LOSS STATEMENT		
	11 MONTHS TO MAY 2021	2020 FINANCIAL YEAR
Total Operating Revenue	475,306	234,809
Cost of Sales	249,086	120,633
Gross Margin	226,220	114,176
Operating Expenses		
General & Administrative	1,039,284	1,176,273
Travel & Entertainment	10,303	30,130
Advertising & Promotion	28,540	11,473
Operations	64,406	88,374
Total Operating Expenses	1,142,533	1,306,250
Operating Profit / (Loss)	(916,313)	(1,192,074)
Non-Operating Items		
Non-operating income	91,822	49,139
Non-operating expenses	14,548	60,566
Interest expense	40,674	24,536
Share based payments expense*	1,502,714	1,510,456
Total Non-Operating Items	(1,466,114)	(1,546,419)
Net Profit / (Loss)	(2,382,427)	(2,738,493)

***NB – Share Based Payments Expense.** The Australian Accounting Standard AASB2 (Share Based Payments) requires that the value of share-based payments made in any year under an approved Loan Share Plan must be expensed in the year that the shares are granted. This adjustment is non-cash and non-operating.



NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT 31 MAY 2021

1. The consolidated and pro-forma balance sheets are unaudited and are based on management accounts at 31 May 2021 and accordingly may be subject to change.

2. The consolidated balance sheet records the assets, liabilities and equity in accordance with Australian Accounting Standards.

3. The pro-forma balance sheet restates the values of some balance sheet items to their net asset position which more accurately reflects the overall position of the Company. The pro-forma balance sheet includes the following adjustments:

- All amounts for the Loan Share Plan owing from participants to the Company and from the Company to participants are offset to show the true net asset position. The Australian Accounting Standards (AASB2 – Share Based Payments) requires disclosure at their gross values. This has the effect of overstating the amounts owing to and from related parties. It also requires that the value of share-based payments in any year must be expensed in the year of grant. The accounting entries for the Loan Share Plan are non-cash and non-operating.
- The Company has entered into an agreement with Gratuk Technologies Pty Ltd, a related party, to develop some of its intellectual property and perform ongoing consulting works. The cumulative accrued liability of \$3,606,330 payable to Gratuk Technologies Pty Ltd represents the total development cost of product intellectual property from January 2011 to June 2018. Payment of this fee to Gratuk Technologies Pty Ltd is contingent upon MediKane group having an operating cash flow exceeding \$7.5 million in any year, or at a time mutually agreed by both parties.
- The total value of convertible notes of \$590,275 (inclusive of \$113,068 interest owing to noteholders) includes amounts held by two directors of \$302,607 which will be converted to equity.

MEDIKANE HOLDINGS LTD GROUP CONSOLIDATED BALANCE SHEET (AS AT 31 MAY 2021)

	CONSOLIDATED BALANCE SHEET	PRO-FORMA BALANCE SHEET
Assets		
Current Assets		
Cash & cash equivalents	9,287	9,287
Trade & other receivables	174,151	174,151
Inventories	109,625	109,625
Total Current Assets	293,063	293,063
Non-Current Assets		
Loans - related parties	3,436,944	18,079
Total Non-Current Assets	3,436,944	18,079
Total Assets	3,730,007	311,142
Liabilities		
Trade payables	284,700	284,700
Amounts due to related parties	8,903,113	889,493
Convertible notes	590,275	287,668
Other borrowings	49,369	49,369
Total Current Liabilities	9,827,457	1,511,231
Total Liabilities	9,827,457	1,511,231
Net Assets / (Liabilities)	(6,097,450)	(1,200,089)
Equity		
Share capital	1,299,172	9,802,863
Reserves	8,462,037	260,953
Accumulated losses	(15,858,659)	(11,263,905)
Total Equity	(6,097,450)	(1,200,089)



MEDIKANE HOLDINGS LTD GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS

	11 MONTHS TO 31 MAY 2021	2020 FINANCIAL YEAR
Cash flows from operating activities		
Receipts from customers	546,128	275,853
Payments to suppliers and employees	(584,253)	(409,606)
Finance expenses received / (paid)	(15,294)	(67,893)
Net cash (outflow) from operating activities	(53,419)	(201,646)
Cash flows from investing activities		
Loans from (to) related parties	(86,445)	71,000
Net cash inflow (outflow) from investing activities	(86,445)	71,000
Cash flows from financing activities		
Repayment of borrowings	(6,214)	(277,607)
Proceeds from issue of shares	142,447	50,001
Proceeds from convertible notes	-	302,607
Proceeds from loans	-	55,583
Net cash inflow from financing activities	136,233	130,584
Net (decrease) increase in cash and cash equivalents	(3,631)	(62)
Cash and cash equivalents at the beginning of the financial year	12,918	12,980
Cash and cash equivalents at the end of the period	9,287	12,918



MEDIKANE HOLDINGS LTD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	ATTRIBUTABLE TO OWNERS OF MEDIKANE HOLDINGS LTD			
	CONTRIBUTED EQUITY	RESERVES	ACCUMULATED LOSSES	TOTAL EQUITY
Balance 1 July 2020	1,156,725	6,959,323	(13,476,232)	(5,360,184)
Loss for the period			(2,382,427)	(2,382,427)
Transactions with owners:				
- Share-based payments		1,502,714		1,502,714
- Issue of shares	142,447			142,447
Balance 31 May 2021	1,299,172	8,462,037	(15,858,659)	(6,097,450)



MANAGEMENT COMMENTS ON REVENUE AND EBIT

BALANCE SHEET INFORMATION

The Consolidated Balance Sheet records the assets, liabilities equity in accordance with Australian Accounting Standards, but does not provide a simple picture of the company's Assets & Liabilities.

The Pro-forma Balance Sheet is a commonly used approach to show the value of key balance sheet items and their net asset position.

This more accurately represents the overall position of the company.

PRODUCT DEVELOPMENT

We spent the first six years developing and testing the products and then obtaining independent scientific and medical assessment of their effectiveness.

After we had shown the products worked as claimed, we undertook a series of market trials including different delivery approaches, flavours and tested price sensitivity.

We did not launch products to market until development work and testing had been completed.

REVENUE

We launched NutriKane D in 2018 without a large marketing budget. Sales increased organically but slowly and increased by 110% from 2018 to 2019.

Sales for the 2020 financial year were on track to exceed the prior year but were significantly impacted by the Covid 19 pandemic in the January to June 2020 period. Total sales revenue for the 2020 financial year were down 14% on the 2019 year.

Importantly, sales revenue for the eleven months to May 2021 are up by 104% on the prior corresponding period. Since July 1st 2020 we have posted revenue higher than all of FY 2019, and we are now tracking to achieve a revenue of \$500,000 for FY 2021.

Based on the current tracking rate and the current order book, we expect to achieve revenue of \$1.5 million for the year starting July 1st 2021 (FY 22) from organic growth without external investment.

Additional growth is planned from use of this Crowd Funding Program. We are targeting reaching 100,000 retail customers within 2 years, plus additional wholesale (eg hospital) customers with the NutriKane brand.

GROSS MARGINS

The NutriKane brand delivers Gross Margins up to 80% and varies depending on channel and sales territory. Gross Margins for White Label products range from 45% to 65%.

Average Gross Margins are currently below 60%. This is an outstanding result for a small emerging business that has focused on product development and breakthrough innovations.

With increased sales volume, which is now occurring, the average GM will increase to over 65%. Overheads will only grow by 20 % when sales increase three fold.

The addition of the Animal Division and the Industrial Division adds significant volume from year 2 and helps drive procurement costs and manufacturing costs down, so we can increase the margins even higher.



2.15 LEGAL OR DISCIPLINARY ACTIONS

Neither the company, any of its subsidiaries nor any of its directors or officers have:

- Had any convictions under any Australian (or other) laws
- Civil penalties imposed under the Corporations Act
- Disqualification from managing a company under the Corporations Act
- Banning or disqualification orders (relating to an Australian financial services licence) under s920A or 921A of the Corporations Act.
- Been a director, company secretary or senior manager of a company that became insolvent
- Had no court enforceable undertakings give to ASIC under s93AA or 93A of the Australian Securities and Investments Commission Act 2001 (ASIC Ltd).
- Had other convictions or penalties under any other laws in the last 10 years



2.16 RISKS FACING THE BUSINESS

An investment in the Company should be seen as high-risk and speculative. A description of the main risks that may impact our business is below. Investors should read this section carefully before deciding to apply for shares under the Offer. There are also other, more general risks associated with the Company (e.g. risks relating to general economic conditions or the inability to sell our shares).

TYPE OF RISK	DESCRIPTION OF RISK
The Company fails to increase brand awareness of its products, which could put the sales growth at risk.	If we are unable to increase awareness and acceptance of our product within key revenue streams we may not be able to grow sales of our products to acceptable levels. This will have a material adverse effect on the Company's potential revenue and prospects.
A competitor attempts to take market share from Company	Company has two types of competitor risk. A/ Products that compete technically and potentially show superior performance to NutriKane. B/ The biggest area for competitors are products that DO NOT provide the same health benefits or efficacy but are well marketed and well sold.
A 'copycat' competitor duplicates Company's product efficacy and takes market share from us	If another company produces a similar product, this may reduce MediKane's market share and profitability.
Key personnel are poached or leave	If any key personnel leave or are unable to perform their duties it will take time to replace them even with the redundant skills within the team. This could reduce profits.
Manufacturing capacity cannot meet sales demand	The Company has internal resources and knowledge to build additional manufacturing capacity either in Australia or the USA. If funds for this were not obtained sales would be restricted.
Regulations change	Significant regulation changes in key markets could delay or reduce MediKane's market penetration and profits.
A key supplier fails	Company outsources operations like filling and packing, and a supplier failure could weaken customer loyalty and profitability.
Company experiences a major product recall	If a major product recall was to occur, it may damage the brand and company image. This could have short or longer term affects. Having five separate revenue streams should minimise the overall effect.
Another pandemic emerges in the global economy	This potential damage this risk could do to MediKane or other businesses is difficult to predict but could be significant. MediKane products positively affect the immune system and this may minimise an adverse effect for MediKane.



TYPE OF RISK	DESCRIPTION OF RISK
Optimising the Company's success involves its ability to protect its intellectual property	The protection of the Company's intellectual property is important. If we are unable to protect or enforce the Company's intellectual property rights, there is a risk that other companies will copy our product which could adversely affect our ability to compete.
The Company may need additional funding to accelerate its business strategy	<p>The net proceeds of the Offer should be adequate for our funding needs to deliver organic growth.</p> <p>However, to optimise growth and market expansion, the Company may need to obtain additional funding to fully execute its business strategy. We cannot guarantee the availability of funds in the future, or that the funds will be available on favourable terms. If we are unable to raise these funds, it could slow revenue growth and impact the Company's business.</p>



SECTION 3 – INFORMATION ABOUT THE OFFER





3.1 TERMS OF THE OFFER

The Company is offering up to 1,491,228 shares at an issue price of \$0.57 per share to raise up to \$850,000. The key terms and conditions of the Offer are set out in the table below.

TERM	DETAILS
Shares	Fully-paid ordinary shares
Price	\$0.57 cents per share
Minimum Subscription	\$250,000
Maximum Subscription	\$850,000
Opening date	30th June 2021
Closing date	22nd July 2021, unless closed earlier by the Intermediary

A description of the rights associated with the shares is set out within this Offer Document. To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary's platform. The Intermediary's website provides instructions on how to apply for shares under the Offer.

The Intermediary must close the Offer early in certain circumstances. For example, if the Maximum Subscription is reached, the Offer must be closed. If the Minimum Subscription is not reached or the Offer is closed but not completed, you will be refunded your application money.

Investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off rights can be found in this CSF offer document.

The Offer is not underwritten.



3.2 USE OF FUNDS

The prime purpose for the funds is to grow revenues in Australia. Double digit sales revenue increases are already being achieved and the addition of additional funds will also accelerate our international expansion and growth.

The table below shows the intended use of funds raised by this Offer and including the Maximum and Minimum subscription amounts.

MediKane has annual revenues that exceed cash outgoings which means we are a sustainable business able to grow organically. Full costs of the Offer including the Intermediary's fees under the hosting agreement between the MediKane and the Intermediary are included in the Use of Funds.

Other than as specified in the table below, no other payments from the funds raised will be paid (directly or indirectly) to controlling shareholders or other persons involved in promoting or marketing the offer.

INTENDED USE	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Sales People in Australia	\$0	\$75,000
Working Capital (stock)	\$22,200	\$36,200
Digital Marketing (NutriKane D)	\$75,000	\$120,000
Retail Marketing (NutriKane D)	\$125,000	\$450,000
Selling support (Materials, Point of Sale)	\$10,000	\$40,000
Wages	\$0	\$75,000
Offer Costs	\$17,800	\$53,800
Total funds	\$250,000	\$850,000

We have physical orders and written intents to order that provide a stable base for growth and therefore we expect that the Minimum Subscription amount will be sufficient to successfully grow the business at a reasonable but modest rate, of doubling revenue for the coming Fiscal Year.

The funds provided by the Maximum Subscription amount are expected to enable the targeted growth rates to be achieved, and allow the team to focus on international markets.

If only the Minimum Subscription amount is raised, the Company may consider raising further funding to be able to accelerate growth rates over the next 6 –12 months. In such circumstances, the Company may consider undertaking a further CSF offer under the CSF regime.

The Offer costs includes the Intermediary's fees under the hosting agreement between the Company and the Intermediary. These fees are up to 6% of all funds raised by the Company through Birchall Financial Services Pty Ltd (Intermediary), plus \$2,800 for administration and setup costs.

Other than as specified above, no other payments from the funds raised will be paid (directly or indirectly) to related parties, controlling shareholders, or any other persons involved in promoting or marketing the Offer.



3.3 RIGHTS ASSOCIATED WITH THE SHARES

Immediately after issue, the shares will be fully-paid shares. There will be no liability on the part of shareholders and the shares will rank equally with the shares currently on issue.

The rights associated with the shares are set out in the Company's constitution. A summary of these rights is set out below. A copy of the constitution is available on the Intermediary's platform.

VOTING RIGHTS

Each shareholder has one vote on a show of hands and, on a poll, one vote for each share held.

ELECTION AND REMOVAL OF DIRECTORS

Shareholders may vote to elect and remove directors at a general meeting by way of ordinary resolution (50%).

GENERAL MEETINGS AND NOTICES

Directors have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares. Shareholders who hold at least 5% of the votes which may be cast at a general meeting of the Company have the power to call and hold a meeting themselves or to require the directors to call and hold a meeting.

DIVIDENDS

All shareholders have a right to receive any dividends declared and paid by the Company. The directors have a discretion and may resolve to pay dividends, subject to their obligations under the Corporations Act (e.g. they cannot pay dividends unless the Company's assets are sufficiently in excess of its liabilities immediately before the dividend is declared and where it may materially prejudice the Company's ability to pay its creditors).

WINDING-UP

If the Company is wound up and there are any assets left over after all the Company's debts have been paid, the surplus is distributed to holders of ordinary shares after secured and unsecured creditors of the Company. Holders of fully-paid ordinary voting shares rank ahead of other classes of shares (if any).

3.4 DETAILS OF PREVIOUS CSF OFFERS

- MediKane has not previously been involved with a CSF offer
- No directors or managers of MediKane, or any companies they have been associated with, have been involved with a CSF offer
- No related parties of MediKane have been involved with a CSF offer
- The Board of Directors control MediKane and as noted above none of the directors have been involved with a CSF offer.



SECTION 4 – INFORMATION ABOUT INVESTOR RIGHTS

4.1 COOLING-OFF RIGHTS

If you are a retail investor, you have the right to withdraw your application under this Offer and to be repaid your application money. If you wish to withdraw your application for any reason (including if you change your mind about investing in the Company), you must do so within five business days of making your application (the **Cooling-off Period**).

You must withdraw your application via the Intermediary's platform as follows: You will be able to withdraw your application within the Cooling-off Period by following the link and the instructions within your portfolio on the Intermediary's platform.

After your withdrawal has been processed, the Intermediary will refund the application money to your nominated account as soon as practicable.

4.2 COMMUNICATION FACILITY FOR THE OFFER

You can ask questions about the Offer on the communication facility available on the Intermediary's platform. You can also use the communication facility to communicate with other investors, with the Company and with the Intermediary about this Offer.

You will be able to post comments and questions about the Offer and see the posts of other investors on the communication facility. The Company and/or the Intermediary will also be able to respond to questions and comments posted by investors.

Officers, employees or agents of the Company, and related parties or associates of the Company or the Intermediary, may participate in the facility and must clearly disclose their relationship to the Company and/or Intermediary when making posts on the facility.

Any comments made in good faith on the communication facility are not subject to the advertising restrictions in the Corporations Act.



4.3 PUBLIC COMPANY CORPORATE GOVERNANCE OBLIGATIONS

ANNUAL GENERAL MEETINGS

The Company is required to hold an annual general meeting no later than 30 November each year.

This means that shareholders are provided with an opportunity to directly question the directors and management in an open forum about the management, business operations, financial position or performance of the Company.

Directors of the Company may be required to hold a general meeting in other circumstances, for example, where requested to by shareholders with at least 5% of the votes that may be cast at a general meeting.

If shareholders have any queries or concerns about the Company, they should contact the company secretary directly. [David Slatyer – dhs@medikane.com.au]

ANNUAL REPORT

The Company's financial records are independently audited each financial year. The annual financial reports and directors' reports at the end of each financial year are lodged with ASIC no later than 31 October.

The directors of the Company make a legal declaration that the financial statements give a true and fair view of the Company's financial position and performance and that the financial statements comply with all the accounting standards.

DISTRIBUTION OF ANNUAL REPORT

Annual reports are distributed to shareholders prior to the Annual General Meeting.

Shareholders are able to elect to receive a copy of the annual report by way of email or post. Shareholders can also access the annual report on the Company's website at the following address www.medikane.com.au (free of charge) or can purchase the report from ASIC.



INVESTOR REWARDS

INVESTMENT	GIFT
All investors	A 10% discount off all products purchased directly from MediKane
\$500	One month's supply of NutriKane D
\$1,000	Two months supply of NutriKane D
\$2,500	Three month's supply of NutriKane D
\$5,000	Six month's supply of NutriKane D NutriKane Gut Health insights package
> \$10,000	Twelve month's supply of NutriKane D NutriKane Gut Health insights package Health check by our qualified Diabetes Educators



APPENDIX



APPENDIX 1 - HOW NUTRIKANE WORKS

A BRIEF DESCRIPTION - HOW NUTRIKANE HELPS OUR BODIES

5 QUICK POINTS

1. NutriKane is made of highly nutritious foods that are mixed together in the right proportions to give many people the nutrition they need to deal with day to day stresses as well as many specific medical conditions. There is no one "Superfood" in the world but you can make "Super-mixes" like NutriKane to help specific problems.
2. The complexity of NutriKane means that it is very effective in normalising your gut "microbiome" which are the bacteria in your intestines that keep you healthy. It is now well known to the science and medical community that good intestinal health helps the body cope with everything from cancer to dementia, and is absolutely essential to good overall health and wellbeing.
3. Unlike simple supplements, that claim to be miracle cures but only have a part of the answer, NutriKane contains soluble and insoluble fibres, resistant starches, antioxidants and essential minerals, all in the forms that your body needs to utilise them. NutriKane isn't a magic pill but it does provide a large part of what is missing from a healthy diet in many people.
4. Improving the health of our guts with NutriKane alleviates symptoms of IBS and IBD, provides people with more energy and helps with recovery from exercise or sickness. It has also been shown to improve blood sugar management and insulin sensitivity which benefits a wide range of conditions.
5. By providing the nutrients that many of us need some of the proven benefits of NutriKane are: increased healthy weight loss in individuals that are engaging in healthy diet and exercise, improved blood sugar management in prediabetes, lowered inflammation from exercise, sickness and health issues.

WHAT IS NUTRIKANE?

NutriKane is a mixture of natural food ingredients that have been selected and tested to ensure they provide real health benefits and are free of any contaminants.

NutriKane is a mixture of soluble and insoluble fibre and resistant starch. More importantly though these fibres are not heavily processed which means the associated nutrients and waxes that are naturally occurring in the plants are still present in the formula. This mixture of fibres is consistent with many natural vegetable sources (approximately 3:1 Insoluble: soluble dietary fibre).

Most importantly NutriKane is a complex food not just an artificial fibre boost like many of today's supplements. Complex foods are very important to our health. The highly processed foods common in today's society are examples of simple, non-nutritious non-complex food sources.

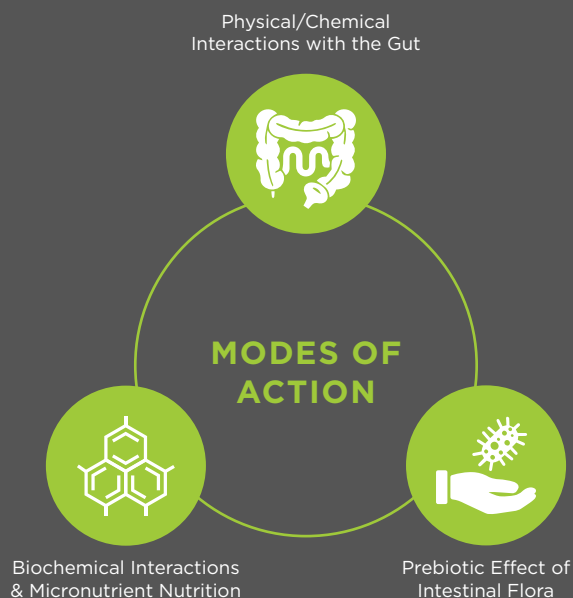
Most dietary fibres are either highly processed, come from the outer husk of a seed, or from dead tissue. NutriKane contains whole grains and active parts of vegetables. This means it not only contains fibre (which is good in its own right) but also contains many of the essential nutrients that the body needs to function.

Sources: MediKane in-house scientific analysis: Macquarie University ITTC program; Literature on effects of complex foods vs simple supplements



MODES OF ACTION

Mode of Action is the scientific term for how a medicine interacts with our natural biochemistry to provide its benefits. Medical foods like NutriKane have hundreds of individual biochemical reactions to provide the benefits to people living with diabetes and other diseases. They can be summarised into the following groups:



NUTRIKANE IS A BROAD-SPECTRUM PREBIOTIC.

Prebiotics feed the beneficial bacteria in the gut and starve the bad bacteria. Many prebiotics only feed one group of bacteria providing limited benefit or even causing long term problems – ‘Broad Spectrum’ means a prebiotic that nourishes the diversity of bacteria in our gut. NutriKane is high in soluble and insoluble fibre as well as resistant starch and has been shown to nourish all the known healthy bacteria in our gut. NutriKane also contains many minerals and polyphenolic compounds that beneficial bacteria need to be healthy.

The bacteria then produce molecules like short chain fatty acids (SCFAs) that are known to improve health and help control blood glucose levels.

NUTRIKANE IS ALSO HIGH IN MINERALS and other nutrients that we need to combat disease and control blood sugar levels. As NutriKane is a food and not an artificial supplement, these minerals are in readily absorbed (bioavailable) forms. NutriKane is particularly high in nutrients that are hard to find in other foods such as chromium (important to insulin sensitivity), selenium (essential to good immune function) and silica (essential to muscle, skin and cartilage development).

NUTRIKANE IS A REMARKABLY EFFECTIVE ANTI-INFLAMMATORY

food. It is high in antioxidants (one dose has 6-8 times more antioxidants than green tea). The microbiome changes caused by eating NutriKane also have an anti-inflammatory effect. Inflammation is either the cause or mode of action for most, if not all lifestyle diseases. Diabetes specifically has been proven to be caused by inflammation. Reducing inflammation will not only help control blood glucose levels but also reduce or prevent the long term conditions that diabetes causes such as Chronic Kidney Disease (CKD), limb loss, and persistent ulcers.

NUTRIKANE DIRECTS THE BODY TO REPAIR ITSELF

rather than destroy and replace cells. When a cell is stressed or injured the body can direct it to do one of two things. Either it will repair the cell when the resources are available, or it will replace it. Replacement causes inflammation and accelerates aging. By assisting the body to repair itself NutriKane slows the ageing process and prevents long term damage caused by diabetes and other lifestyle diseases.



MODES OF ACTION

The specific way that a food or medicine works on the body are referred to by scientists as “Modes of Action”

The following are the Modes of Action that have so far been identified for NutriKane. Unlike Medications that typically only have a single “Mode of Action” Medical Nutrition products like NutriKane work on several things at the same time. The benefits of NutriKane cannot be assigned to any one “Mode of Action” as the importance of each Mode of Action will vary for each person, depending on diet, general health, infection levels, exercise, age, genetics and a whole raft of other things. The power of nutritional products is that they help the body rebalance so that it can fix itself.

NUTRIKANE IMPROVES GUT HEALTH BY NORMALISING THE GASTROINTESTINAL TRACT

The best way to think about NutriKane and its health-giving properties in human bodies is that it helps get a person's Gastrointestinal tract (which is central to a person's overall health) back to normal. We say it ‘normalises’ the gut. This means however, that if a person was 100% fit, 100% healthy, and their diet was perfect, then NutriKane would not make a noticeable difference to them or their health.

The benefit of NutriKane (to almost anyone in today's society) is that our diets are not ideal (even for those that genuinely try – including growing all their own fruit and vegetables); also, people become injured or have a range of infections (which is normal and occurs to most people) or they damage tissues by accident, when they need the benefits of prescription drugs (that unfortunately can do unwanted damage to the body as side effects of their benefit), or due to physical exertion.

NutriKane improves the health of the GI (Gastrointestinal tract) by helping it get back to the way nature intended it to be, millions of years ago as humans developed. In recent years a huge amount of scientific work has shown that a healthy GI tract not only assists overall health and nutrition but also improves a diverse range of conditions from cancer survival rates to cognitive health, (including effects to reduce depression). It has become universally accepted that there is a direct link between the gut and the brain.

Sources: Macquarie University ITTC, Royal Melbourne Hospital clinical trials, scientific literature

NUTRIKANE IMPROVES ABSORPTION OF NUTRIENTS FROM FOODS

The human body can be viewed as a massively complex chemistry set. Literally billions of chemical reactions occur in our bodies from the time we are conceived until just after we die. Of these myriad of bio-chemical reactions, modern science properly understands only a few thousand of them.

To make the job of understanding nutrition easier for ourselves we have broken nutrition into 2 groups – Macronutrients (protein, fat, carbohydrate, dietary fibre) and micronutrients (everything else). Macronutrients are the thing that has been focussed on for the longest time and they sound very important, but macronutrient just means we need lots of them. The reality is that we need micronutrients just as much (if not more) than macronutrients. Vitamins are micronutrients that most people know about.

Something that we are coming to understand more and more is that these macro and micronutrients do not get used by our bodies on their own. Taking a lot of one (such as a vitamin tablet) can actually be worse than not having any, and even taking a fibre supplement plus a vitamin plus a protein drink is not the same as having a food with all of these things in them. A key aspect of the foods we eat is that they provide raw materials in the form of biochemicals that are used by our bodies. The critical thing to understand in human nutrition, is that the body has to have the specific nutrient / bio-chemical it needs with all of the other things that it uses at the same time, and very often we will not use ‘mimic molecules’ which many supplements contain.

For example, there are many different chemical forms of most essential trace elements and nutrients, and the body only properly uses specific forms of the chemical, and the form it uses is the same form it has obtained from foods for millions of years. The correct forms of nutrients that the body can use are called ‘bio-available’.

The body needs ‘bio-available’ nutrients, meaning that the vast majority of the chemicals in today's mass marketed Supplements just pass through the GI system without ever being used by our bodies. If the body doesn't recognise a chemical as ‘bio-available’ it will discard it.

This is a very important differentiation between truly natural products like NutriKane and the huge numbers of supplements that have swamped our markets.

Sources: Macquarie University ITTC program, MediKane in-house science, Multiple scientific papers



NUTRIKANE IS A BROAD SPECTRUM PRE-BIOTIC. IT FEEDS YOUR MICROBIOME

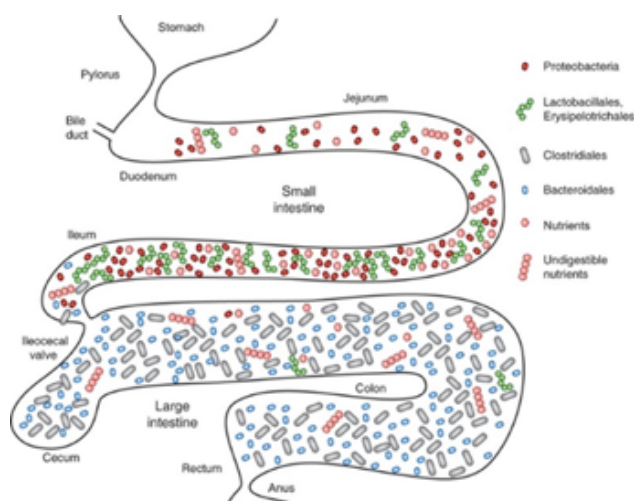
The “microbiome” is the term for the trillions of bacteria that live inside our Gastrointestinal tract, from the mouth to the anus, and is shown in the diagram below. A “pre-biotic” is a food that feeds the bacteria / microbiome.

University tests showed that NutriKane is a ‘broad spectrum’ pre-biotic, meaning it feeds many different types of bacteria. We have also shown it specifically feeds the healthy bacteria and reduces the amount of unhealthy bacteria in the gut. To be healthy, a person needs a very diverse range of bacteria in their gut and is one of the ways NutriKane helps maintain a healthy gut. The bacteria live only for a short period of time compared to us (hours to days) so they need to be constantly fed and nourished as they grow. The short life span of the bacteria coupled with the importance on everything they do for us is why we can see dramatic changes to our health, wellbeing and mental state in such a short period of time after a healthy change



in activity.

It is also interesting that some of the essential nutrients that people need to maintain good health, to recover from injury and resist infection are not found in plants or animals. They are only produced by the bacteria in our gut, so it is essential the bacteria are themselves healthy and well nourished.



Source: Macquarie University research on NutriKane, multiple scientific papers

NUTRIKANE IMPROVES ABSORPTION OF NUTRIENTS FROM FOODS

Intestinal health is closely related to the health of the Villi which are tiny filaments in our intestines through which nutrients are absorbed from our food. In a healthy person these tiny filaments stand up and protrude into the small intestine and come into contact with the food as it passes through the GI tract. Nutrients are absorbed into our bloodstreams through these Villi (which greatly increase the surface area of the small intestine to maximise its ability to absorb nutrients). The Villi can be damaged by many things, including malnutrition and certain chemicals. Many GI issues are also caused by inflammation of the Villi. NutriKane has been shown to help maintain the health of the Villi.

These are electron microscope images of the wall of the small intestine. The first shows a healthy intestinal wall while using NutriKane. The second image shows the same intestine but now fragmented and unhealthy after NutriKane was withheld. After NutriKane was again part of the diet the intestine returned to health.

It shows that NutriKane will pro-actively improve the health of the Villi on the walls of the small intestine (where most nutrients are absorbed into the body) thereby helping to increase nutrition and overall health of the person. In summary NutriKane allows the body to absorb nutrients more effectively, and allows the body to address deficiencies and work more efficiently.

Source: Prof A Shinjo, U of Ryukyus



BENEFITS TO USERS

LOWERS THE GI (GLYCAEMIC INDEX) OF A MEAL WHEN TAKEN WITH THE MEAL

The Glycemic Index (GI) is a relative ranking of carbohydrate in foods according to how quickly they are absorbed into the bloodstream and converted to glucose. The lower the GI of a food the slower they are absorbed which in turn results in a slower rise in blood glucose. This is particularly important for people living with diabetes and also been shown to be of value for people that want to manage hunger cravings or improve exercise performance. By slowing the absorption of the energy a sustained boost is provided during and/or after exercise. It has also been shown in a large European study that a lower GI diet not only increases weight loss (when trying to lose weight) but that people who maintain a lower GI diet (without changing the actual calories consumed) are less likely to put weight back on.

Sources: University of Sydney glycaemic index analysis; dietitian led weight loss regimen with and without the inclusion of NutriKane, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3359496/pdf/ukmss-47834.pdf>

NUTRIKANE IMPROVES RECOVERY AFTER EXERCISE

When the body is subject to exercise many changes occur in the body including micro muscle tears, use of blood glucose, stimulation of insulin production and inflammation caused by the damage needed as a part of getting fitter. Most people know that muscle soreness after intense exercise is due to lactic acid build up – what they don't realise is that the actual damage and pain is due to tissue inflammation. The anti-inflammatory activity of NutriKane not only reduces the soreness but actually helps the body recover more quickly. In addition a healthier gut, makes it easier it is for the body to recover and repair itself. From multiple in-house studies, it has been found NutriKane will assist rapid recovery and repair, related to its primary effect on the GI tract.

Source: MediKane data: Scientific papers on gastrointestinal health.

NUTRIKANE ASSISTS WEIGHT MANAGEMENT

Multiple customer and internal trials have demonstrated NutriKane's ability to assist with weight management, and an external dietitian controlled trial supported this finding.

NutriKane has several 'Modes of action' including making

the person feel 'full' (satiated) and this in turn triggers the brain to 'switch off' the hunger desire. The lowering of GI of foods helps reduce cravings and the micronutrients allows food to be properly processed.

Sources: Clinical trials at the Royal Melbourne Hospital; MediKane Internal case studies; Dietitian led controlled trial.

NUTRIKANE IMPROVES BOWEL REGULARITY AND STOOL CONSISTENCY

Regular bowel movements are important to maintain in a health regime, and yet constipation and incontinence are two of the biggest health complaints in the modern world. The problem is particularly prevalent in women (up to 30% of Australian women complain of constipation) and it is a major issue in women who are otherwise healthy. It is important to note that 'being normal' may vary from several bowel movements per day to one every one or two days, depending on the individual.

Five clinical trials conducted on NutriKane showed it improve the consistence and softness of a person's stools and significantly helped them achieve regular bowel movements. Having waste move quickly through the bowel has been shown to minimise many adverse health conditions and restrict the absorption of unwanted biochemicals like cholesterol.

Also:

- The bacteria in our GI tract produce Short Chain Fatty Acids which are essential and provide energy to human cells.
- The 'rough' insoluble fibre scrapes the internal lining of the intestines which cleans the bowels.
- The soluble fibre increases stool bulk and improves the softness of stools, so they can be more easily passed during normal bowel motions.
- When we are constipated it has been shown that toxins can be re-absorbed into our bodies causing a number of knock on health issues.
- High protein low calorie diets – such as those being used by people who are trying to lose weight have been shown to increase the risk of constipation and it has been shown that when constipation occurs it can reduce the benefits of a training regimen.

Source: 5 clinical trials performed in Australian and USA hospitals



EVIDENCE – CLINICAL TRIALS

Over the last 6 years we have seven clinical trials (three noted below) on NutriKane D, as referenced in the below table.

	NUMBER OF SUBJECTS	TRIAL TYPE	END POINT	RESULT
HOSPITAL INDUCED CONSTIPATION	100	Randomised open label patient ?	<ul style="list-style-type: none">• Constipation relief• Faecal incontinence relief	89% improvement over current methods
SPINA BIFIDA INTESTINAL HEALTH	54	Randomised blinded controlled	<ul style="list-style-type: none">• Constipation relief• Faecal incontinence relief• Improved quality of life	Participants saw improvement in all intestinal health and cognitive markers
DIABETES	56	Randomised blinded controlled	<ul style="list-style-type: none">• Intestinal health improvement• Blood glucose management improvement• 19 total clinical markers	Improvement in all 19 markers over control