

OFFER DOCUMENT ENTITLEMENT ISSUE



Medibio Limited
ACN 008 130 336

For a non-renounceable pro-rata entitlement issue of one (1) Offer Share for every four (4) Shares held by Eligible Shareholders registered at the Record Date at an Issue Price of \$0.006 (0.6 cents) per Offer Share (**Offer**) to raise up to approximately \$1.52 million (before costs).

The Offer opens at 9.00am (AEST) on Thursday, 18 June 2020

The Offer closes at 5.00pm (AEST) on Monday, 29 June 2020

The Offer is fully underwritten by CPS Capital Group Pty Ltd ACN 088 055 636.

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

This Offer Document dated 10 June 2020 and the accompanying personalised Entitlement and Acceptance Form contain important information. Please read both the Offer Document and the personalised Entitlement and Acceptance Form carefully and in their entirety and call your professional adviser or Medibio Limited (**Company**) if you have any queries. In particular, Eligible Shareholders should refer to the risk factors set out in Section 6 of this document. If you do not understand these documents, or are in doubt as to how to act, you should consult your financial or other professional adviser before making any investment decision.

This Offer Document is not a prospectus prepared in accordance with the Corporations Act and has not been lodged with ASIC. Accordingly, this Offer Document does not necessarily contain all of the information which a prospective investor may require to make an investment decision and it does not contain all of the information which would otherwise be required to be disclosed in a prospectus or other disclosure document. As the Company is a listed disclosing entity which meets the requirements of section 708AA of the Corporations Act, the Offer will be made without a prospectus. Neither ASIC nor ASX, nor any of their officers or employees takes responsibility for this Offer or the merits of the investment to which this Offer relates.

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1. Key details of Offer

1.1 Key terms of Offer

Detail	Terms
Issue Price	\$0.006 (0.6 cents)
Entitlement	1 Offer Share for every 4 Shares held at the Record Date
Shortfall Offer	Eligible Shareholders, who apply for their full Entitlement, may apply for 'Additional Shares', provided that the issue of those Additional Shares will not result in a breach of the Listing Rules or any applicable law.
Maximum number of Offer Shares to be issued	252,865,843 Offer Shares
Maximum gross proceeds of Offer	\$1,517,195
Maximum number of Shares on issue following the Offer (including the issue of the Placement Shares)	1,347,662,548 Shares

The above figures assume that no existing Options over will be exercised prior to the Record Date. As at the date of this Offer Document there are 899,965,653 Options on issue.

1.2 Key indicative dates

Action	Date
Announcement of Offer	Wednesday, 10 June 2020
Cleansing Notice and Lodgement of Offer Document and Appendix 3B with ASX	Wednesday, 10 June 2020
Letter to Eligible and Ineligible Shareholders regarding Offer despatched	Thursday, 11 June 2020
Trading on ex basis	Friday, 12 June 2020
Record Date for Offer and determining Entitlements	Monday, 15 June 2020
Offer Opening Date	9.00am (AEST) Thursday, 18 June 2020
Offer Document despatched to Eligible Shareholders and Company announces despatch has been completed	Thursday, 18 June 2020
Closing Date	5.00pm (AEST), Monday 29 June 2020
Shares quoted on a deferred settlement basis	Tuesday, 30 June 2020

Announcement of results of Offer	Thursday, 2 July 2020
Issue date of Offer Shares	Monday, 6 July 2020
Quotation of Offer Shares	Tuesday, 7 July 2020

The above dates are indicative only and may be subject to change. Subject to the Corporations Act, the Listing Rules and other applicable laws, the Directors reserve the right:

- (a) to vary the dates of the Offer in consultation with the Underwriter; or
- (b) not to proceed with the whole or part of the Offer at any time prior to issue of the Offer Shares.

In the event the Directors decide not to proceed with the whole or part of the Offer, Application Monies (without interest) will be returned in full to the Applicants.

An extension of the Closing Date for the Offer will delay the anticipated date for issue of the Offer Shares. The commencement of quotation of Offer Shares is subject to confirmation from ASX.

Eligible Shareholders wishing to participate in the Offer are encouraged to submit their Entitlement and Acceptance Form and make payment of the appropriate Application Monies as soon as possible after the Offer opens.

You cannot, in most circumstances, withdraw an Application once it has been accepted. No cooling-off rights apply to the Offer.

2. Managing Director's Letter

Dear Shareholders,

Offer

On behalf of the Board, I am pleased to invite you to participate in this fully underwritten non-renounceable pro-rata entitlement offer of one (1) Offer Share for every four (4) Shares (**Entitlement**) held at the Record Date at an issue price of \$0.006 (0.6 cents) (**Offer**) to raise a total of approximately \$1.52 million (before costs). Your Entitlement will provide you with the opportunity to increase your exposure to the upside of the Company moving forward.

Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of Offer Shares.

The Offer Shares will be issued under exception 1 and 2 of ASX Listing Rule 7.2 and exception 1 of ASX Listing Rule 10.12 which means that shareholder approval under ASX Listing Rule 7.1 and 10.11 (respectively) will not be required for the issue.

The Offer will be open to those Eligible Shareholders who are on the Company's share register at 7:00pm (Melbourne time) on Monday, 15 June 2020 and that have a registered address in Australia, New Zealand or Hong Kong; and are not located in US and are not a US Person or acting for the account of or benefit of a person in US or a US Person. Eligible Shareholders who subscribe for their full Entitlement may also apply for Offer Shares in excess of their Entitlement (**Additional Shares**) in accordance with the Shortfall Offer.

The Offer is fully underwritten by CPS Capital Group Pty Ltd ACN 088 055 636.

The proceeds of the Offer, in conjunction with funds raised from the placement undertaken by the Company on 10 June 2020 (for the issue of 83,333,333 Shares to sophisticated investors and professional investors at an issue price of \$0.006 (0.6 cents) to raise \$500,000 before costs and expenses) (**Placement**) will be used to undertake the depressive burden trial; commercialisation of MEBsleep; commercialisation of ilumen™; and the development of a consumer app in addition to general working capital requirements. I encourage all Shareholders to review closely our Company Update presentation for more details on the Company's plans and activities.

Non-tradable rights

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferrable. Eligible Shareholders who do not take up their Entitlement will not receive any value in respect of those Entitlements.

Low-docs offer

The Offer is to be made under s708AA of the Corporations Act and the Offer Document has been lodged with the ASX. A copy of that document can be accessed on the ASX website or the Company's website and is anticipated to be despatched to Eligible Shareholders (with personalised Entitlement and Acceptance Forms) on or before Thursday, 18 June 2020.

How to apply

The Offer is scheduled to close at 5:00pm (AEST) on Monday, 29 June 2020. To participate in the Offer, you must have applied for Offer Shares online at the Offer Website at <https://medibio2020offer.thereachagency.com> so that your completed Entitlement and Acceptance Form and BPAY® payment of Application Monies is received by this time. Shareholders recorded on the share register with an address outside Australia, New Zealand or Hong Kong are not eligible to participate in the Offer.

Payment by cheque or cash will not be accepted.

Conclusion

Potential investors should be aware that subscribing for the Offer Shares involves a number of risks. The key risk factors of which investors should be aware are set out in section 6 of this Offer Document. Investors should carefully consider the risk factors that affect the Company specifically and the industry in which it operates.

On behalf of the Board, I would like to thank you for your continued support and invite you to seriously consider this compelling investment opportunity.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Claude Solitario', with a stylized flourish at the end.

Claude Solitario
Managing Director & CEO
Medibio Limited

3. Important Information

This Offer Document is dated 10 June 2020. This Offer Document is not a prospectus, product disclosure statement or other form of disclosure document under the Corporations Act (or any other law) and has not been lodged with ASIC. The Offer Document is for information purposes only.

This Offer Document does not purport to contain all the information that you may require to evaluate a possible application for Offer Shares, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act (or any other law). It should be read in conjunction with the Company's other periodic statements and continuous disclosure announcements lodged with ASX.

It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. The Company is not licensed to provide financial product advice in respect of the Offer Shares. Neither ASIC nor ASX take responsibility for the contents of this Offer Document.

By returning an Entitlement and Acceptance Form (if applicable) or paying for your Offer Shares and any Additional Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Offer Document and you have acted in accordance with and agree to the terms of the Offer detailed in this Offer Document.

You should also consider the key risks which is included in this Offer Document at section 6.

References to 'you' and 'your Entitlement'

In this Offer Document, references to 'you' are references to Eligible Shareholders and references to 'your Entitlement' (or 'your Entitlement and Acceptance Form') are references to the Entitlement and Acceptance Form of Eligible Shareholders.

No Entitlement trading

Entitlements are non-renounceable and will not be tradable on the ASX or otherwise transferable. Accordingly, you cannot, in most circumstances, withdraw your Application for Offer Shares once it has been accepted.

3.1 Investment decisions

The information in this Offer Document does not take into account the investment objectives, financial situation or needs of you or any particular investor. The potential tax effects of the Offer will vary between individual investors. Before deciding whether to apply for Offer Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. You should conduct your own independent review, investigation and analysis of Offer Shares the subject of the Offer. If, after reading this Offer Document, you have any questions about the Offer, you should contact your stockbroker, accountant or other independent and appropriately licensed professional adviser.

3.2 Disclaimer

No person is authorised to give any information or to make any representations in connection with the Offer which is not contained in this Offer Document. Any information or representation not contained in this Offer Document may not be relied on as having been authorised by the Company in connection with the Offer.

3.3 Offer is only made in Australia, New Zealand and Hong Kong

This Offer does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. In particular, the Offer (and any Shortfall Offer) is only being made in Australia, New Zealand and Hong Kong.

The distribution of this Offer Document in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. In particular, this Offer Document may not be distributed in the US or any other country except Australia, New Zealand or Hong Kong.

The Offer to New Zealand investors is made pursuant to the New Zealand *Securities Act (Overseas Companies) Exemption Notice 2013*. Pursuant to this Act, the only members of the public to whom the Offer Shares are offered in New Zealand are those who, at the time of the Offer, are holders of Shares in the Company.

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

As the ASX does not operate in New Zealand or Hong Kong, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand or Hong Kong.

3.4 Forward-looking statements

This Offer Document contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Offer Document, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company.

To the maximum extent permitted by law, none of the Company or any person named in this Offer Document or any person involved in the preparation of this Offer Document makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any intentions or outcomes expressed or implied in any forward looking statement and disclaim all responsibility and liability for such forward looking statements (including, without limitation, liability for negligence). The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Offer Document, except where required by law. You are cautioned not to place undue reliance on any forward looking statement having regard to the fact that the outcome may not be achieved.

Any pro forma financial information (including past performance information) provided in this Offer Document is for information purposes only and is not a forecast of operating results to be expected in any future period. Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Offer Document.

3.5 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 6 of this Offer Document. Investors should carefully consider the risk factors that affect the Company specifically and the resources, mining and exploration industry in which it operates.

3.6 Defined terms and time

Terms and abbreviations used in this Offer Document are defined in section 8 of this Offer Document. All financial amounts shown in this Offer Document are expressed in Australian dollars unless otherwise stated.

Notwithstanding any references to the contrary, all references to time in this Offer Document are to Melbourne time.

3.7 Publicly available information

The Offer Document should be read in conjunction with the Company's continuous disclosure announcements made to the ASX available from the ASX website (at www.asx.com.au - ASX Code: MEB). The Company may release further announcements after the date of this Offer Document which may be relevant to your consideration of the Offer.

3.8 Past performance

Investors should note that past performance, including past Share price performance, cannot be relied on as an indicator of, and provides no guidance as to, future Company performance, including future Share performance.

3.9 Withdrawal

The Company reserves the right to withdraw the Offer at any time before the issue of Offer Shares under the Offer, in which case Medibio will refund any Application Monies received.

4. Details of the Offer

4.1 Purpose of the Offer

The purpose of this Offer is to:

- (a) raise additional working capital for the Company to undertake the depressive burden trial, commercialise MEBsleep, commercialise ilumen™, develop a consumer app and for general working capital purposes; and
- (b) recognise Shareholders' ongoing support of the Company and provide the opportunity for Eligible Shareholders to participate in a discounted rights issue.

4.2 Entitlement and amount to be raised

The Company is undertaking a fully-underwritten non-renounceable pro-rata entitlement issue of one (1) Offer Share for every four (4) Shares (**Entitlement**) held by Eligible Shareholders registered as at the Record Date at an issue price of \$0.006 (0.6 cents) per Offer Share (**Offer**).

Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of Offer Shares.

Based on the capital structure of the Company as at the date of this Offer Document, approximately 252,865,843 Offer Shares will be issued pursuant to this Offer to raise up to approximately \$1.52 million (before costs).

All Offer Shares issued will have the rights attaching to those securities as set out in section 4.8.

The intended use of funds raised under the Offer is set out in section 5.1 of this Offer Document.

The Directors may, at any time, decide to withdraw this Offer Document and the Offer of Offer Shares made under it, in which case the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

4.3 Issue price

The issue price is \$0.006 (0.6 cents) for each Offer Share payable in full in Australian currency via BPAY® payment.

Your completed Entitlement and Acceptance Form must be submitted online at the Offer Website located at <https://medibio2020offer.thereachagency.com> and your payment must be received by the Company via BPAY® payment by no later than 5.00 pm AEST on the Closing Date.

Payment by cheque or cash will not be accepted.

4.4 Minimum subscription

There is no minimum subscription in respect of the Offer.

4.5 Underwriting

The Offer is fully underwritten by the Underwriter. Subject to the terms of the Underwriting Agreement, the Underwriter will lodge or cause to be lodged with the Company, Applications for any Offer Shares not subscribed for by Eligible Shareholders. The Underwriter is entitled to, in consultation with the Company, nominate who is to receive Offer Shares not subscribed for as Entitlements by Eligible Shareholders.

A summary of the other material terms of the Underwriting Agreement is set out in Section 7.11 of this Offer Document.

4.6 Eligibility to participate in Offer

The Offer is being offered to Eligible Shareholders only. Eligible Shareholders are persons who are registered as a holder of Shares as at the Record Date that:

- (a) have a registered address in Australia, New Zealand or Hong Kong; and;
- (b) are not located in US and are not a US Person or acting for the account of or benefit of a person in US or a US Person,

(Eligible Shareholders).

Shareholders who are not Eligible Shareholders are Ineligible Shareholders.

The Company has decided that it is unreasonable to make offers under the Offer to Shareholders who have a registered address outside Australia, New Zealand or Hong Kong having regard to the number of such holders in those places and the number and the value of the Offer Shares that they would be offered, and the costs of complying with the relevant legal and regulatory requirements in those places. The Company may (in its absolute discretion) extend the Offer to Shareholders who have registered addresses outside of Australia, New Zealand or Hong Kong in accordance with applicable law.

Shareholders with a registered address in New Zealand or Hong Kong must note the selling restrictions set out in Section 4.17 of this Offer Document.

Eligible Shareholders will receive a personalised Entitlement and Acceptance Form setting out their Entitlement which will accompany the copy of this Offer Document sent to them. Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of Offer Shares.

Shareholders who are not Eligible Shareholders, will not be entitled to participate in the Offer or to subscribe for Offer Shares.

4.7 Optionholders

Optionholders will not be able to participate in the Offer unless they:

- (a) have become entitled to exercise their existing Options under the terms of their issue and do so, so they are registered as holders of Shares prior to the Record Date; and
- (b) participate in the Offer as a result of being a holder of Shares registered on the register of the Company at the Record Date.

4.8 Rights attaching to Shares

Shares issued pursuant to the Offer will be fully paid and rank equally with all other issued Shares, including in respect of dividends.

The rights attaching to Shares are set out in the Constitution and are regulated by the Corporations Act, the ASX Listing Rules and general law.

4.9 Non-renounceable offer

The rights to Offer Shares are non-renounceable. Accordingly, there will be no trading rights on the ASX (or any other exchange) and you may not dispose of your rights to subscribe for Offer Shares to any other party. If you do not take up your Entitlement to Offer Shares by the Closing Date, the Offer to you will lapse, you will receive no benefit and your interest in the Company may be diluted.

4.10 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form which can be accessed at <https://medibio2020offer.thereachagency.com>.

The number of Offer Shares to which Eligible Shareholders are entitled (your Entitlement) is shown on your personalised Entitlement and Acceptance Form, which along with this Offer Document is accessible at <https://medibio2020offer.thereachagency.com>. Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of Offer Shares.

If you do not take up your Entitlement in full, then your percentage holding in the Company will be diluted.

You may participate in the Offer as follows:

- (a) if you wish to take up your Entitlement in **full** and, if you do so, also **apply for Additional Shares** (refer to section 4.13 of this Offer Document);
 - (i) apply for your full Entitlement for Offer Shares and the Additional Shares you wish to apply for (being more than your Entitlement as specified on the Entitlement and Acceptance Form) online by visiting the Offer Website at <https://medibio2020offer.thereachagency.com>. You will need to provide your Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) and postcode to access the online application system and follow the instructions provided including making payment by BPAY®. You will be deemed to have applied for that number of Additional Shares which in aggregate with your Entitlement is covered in full by your Application Monies. In order to participate in the Shortfall Offer and subscribe for Additional Shares, you must also apply for your Entitlement in full; and
 - (ii) arrange payment by:
 - (A) **BPAY®** as instructed for the appropriate Application Monies for your Entitlement of Offer Shares plus the number of Additional Shares you have applied for (at \$0.006 (0.6 cents) per Offer Share and Additional Share); or
 - (B) for New Zealand or Hong Kong Shareholders only, that are unable to pay via **BPAY®**, please contact the Company Secretary on +61 3 9692 7222 for alternative electronic funds transfer (**EFT**) payment arrangements for the appropriate Application Monies for your Entitlement of Offer Shares plus the number of Additional Shares you have applied for (at \$0.006 (0.6 cents) per Offer Share and Additional Share); or
- (b) if you wish to take up your Entitlement in **full** without applying for Additional Shares;
 - (i) apply for your full Entitlement for Offer Shares online by visiting the Offer Website at <https://medibio2020offer.thereachagency.com>. You will need to provide your SRN or HIN and postcode to access the online application system and follow the instructions provided including making payment by BPAY®; and
 - (ii) arrange payment by:
 - (A) **BPAY®** as instructed for the appropriate Application Monies for your Entitlement of Offer Shares you have applied for (at \$0.006 (0.6 cents) per Offer Share); or
 - (B) for New Zealand or Hong Kong Shareholders only, that are unable to pay via **BPAY®**, please contact the Company Secretary on +61 3 9692 7222 for alternative EFT payment arrangements for the

appropriate Application Monies for your Entitlement of Offer Shares (at \$0.006 (0.6 cents) per Offer Share); or

- (c) if you wish to take up **part**, but not all of your Entitlement;
 - (i) apply for the number of Offer Shares you wish to subscribe for online by visiting the Offer Website at <https://medibio2020offer.thereachagency.com>. You will need to provide your SRN or HIN and postcode to access the online application system and follow the instructions provided including making payment by BPAY®; and
 - (ii) arrange payment by:
 - (A) **BPAY®** as instructed for the appropriate Application Monies for the number of Offer Shares you have applied for (at \$0.006 (0.6 cents) per Offer Share); or
 - (B) for New Zealand or Hong Kong Shareholders only, that are unable to pay via **BPAY®**, please contact the Company Secretary on +61 3 9692 7222 for alternative EFT payment arrangements for the appropriate Application Monies for the number of Offer Shares you have applied for (at \$0.006 (0.6 cents) per Offer Share); or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obligated to do anything in response to the Offer.

Payment by cheque or cash will not be accepted.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.11 Implications of an acceptance

The payment of any Application Monies by BPAY® or EFT will be taken by the Company to constitute a representation by you that:

- (a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) such payment constitutes a binding and irrevocable offer to apply for Offer Shares (plus any Additional Shares) on the terms and conditions set out in this Offer Document and/or the Entitlement and Acceptance Form and, once lodged or paid, cannot be withdrawn; and
- (c) you acknowledge that once the Entitlement and Acceptance Form is returned or a BPAY® payment or an EFT payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law.

4.12 Payment by BPAY® and EFT

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form which can be accessed at <https://medibio2020offer.thereachagency.com>. You can only make a payment via BPAY® if you are the holder of an account with an Australia financial institution that supports BPAY® transactions or for New Zealand or Hong Kong Shareholders only, if you do not have an account that supports BPAY® transactions to an Australian bank account then please contact the Company Secretary on +61 3 9692 7222 for alternative EFT payment arrangements. Please note that by paying by BPAY® or EFT:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance;

- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Offer Shares which is covered in full by your Application Monies; and
- (c) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Additional Shares (if any) under the Shortfall Offer, to the extent of the excess.

It is your responsibility to ensure that your BPAY® or EFT payment is received by the Share Registry by no later than 5.00pm (AEST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any Application Monies received for more than your final allocation of Offer Shares (including any Additional Shares) (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any Application Monies received or refunded.

Payment by cheque or cash will not be accepted.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.13 Shortfall Offer

Eligible Shareholders who have subscribed for their Entitlement in full may apply for Offer Shares in addition to their Entitlement (**Additional Shares**) in accordance with the Shortfall Offer. Please refer to section 4.10(a) of this Offer Document for further information as to how to apply for Additional Shares above your Entitlement.

Any Additional Shares will be limited to the extent that there are sufficient Offer Shares available after satisfying all Applications received from Eligible Shareholders for Entitlements pursuant to the Offer and allocations made by the Underwriter (ie there is a shortfall between the number of Offer Shares applied for under the Offer and the total Entitlements offered to Eligible Shareholders under the Offer).

It is possible that there will be few or no Additional Shares available, depending on the level of acceptance of Entitlements by Eligible Shareholders and allocations made by the Underwriter in accordance with the terms of the Underwriting Agreement. There is therefore no guarantee that in the event that Additional Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

Following the allocation of the Additional Shares, any remaining Offer Shares will be issued to the Underwriter or its nominees in accordance with the Underwriting Agreement.

The Company's decision as to the number of Additional Shares to be allocated to you will be final and binding. The Company may issue to an Applicant a lesser number of Additional Shares or not proceed with the issuing of all or part of the Additional Shares. If the number of Additional Shares is less than the number applied for, surplus Application Monies will be refunded without interest.

4.14 ASX Quotation

Application for Official Quotation of the Shares offered pursuant to this Offer Document will be made in accordance with the timetable set out at the commencement of this Offer Document.

The fact that ASX may grant Official Quotation of the Shares is not to be taken in any way as an indication of the merits of the Offer or an interest in the Company.

4.15 Allotment

Shares issued pursuant to the Offer will be allotted in accordance with the ASX Listing Rules and timetable set out in section 1.2 of this Offer Document.

Additional Shares issued will be allotted on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus Application Monies will be refunded (without interest) as soon as practicable after the closing date of the Offer.

Pending the allotment and issue of the Shares or payment of refunds under this Offer Document, all Application Monies will be held by the Company in trust for the Investor in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Investor waives the right to claim interest.

Holding statements for Offer Shares and the Additional Shares will be mailed in accordance with the ASX Listing Rules and the timetable set out in section 1.2 of this Offer Document.

4.16 Offer Document and the Corporations Act

This Offer Document is issued pursuant to section 708AA of the Corporations Act without disclosure to investors under Part 6D.2 of the Corporations Act.

Accordingly, neither this Offer Document nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC and no prospectus for the offer will be prepared. In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would ordinarily expect in, a prospectus.

In accordance with the conditions imposed on the Company by section 708AA of the Corporations Act, the Company provided ASX with a notice that complied with the requirements of section 708AA(7) on 10 June 2020. The notice was required to:

- (a) set out information that had been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and that Investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the Shares offer under this Offer Document; and
- (b) state the potential effect of the issue of the Shares offer under this Offer Document on the control of the Company and the consequences of that effect.

4.17 Overseas Shareholders

This Offer Document has been prepared to comply with the requirements of the securities laws of Australia.

This Offer Document does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Offer, the Offer Document or the Offer Shares, or otherwise permit the public offering of the Offer Shares, in any jurisdiction other than Australia.

The distribution of this Offer Document (including an electronic copy) outside Australia, New Zealand and may be restricted by law. If you come into possession of this Offer Document, you should observe such restrictions and should seek your own advice on such restrictions.

Shareholders resident in Australia, New Zealand or Hong Kong holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas

jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Any non-compliance with these restrictions may contravene applicable securities laws.

New Zealand

The Offer Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the Offer of Offer Shares is being made in reliance on the transitional provisions of the *Financial Markets Conduct Act 2013* (New Zealand) and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Hong Kong

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Offers, in any country outside Australia or New Zealand or Hong Kong except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offers.

United States

None of the information in this Offer Document, or the Entitlement and Acceptance Form that will accompany this Offer Document when it is despatched to Eligible Shareholders, constitutes an offer to sell, or the solicitation of an offer to buy, any securities in US. Neither this Offer Document (or any part of it), the accompanying ASX announcements nor the Entitlement and Acceptance Form when that is to be made available, may be released or distributed directly or indirectly, to persons in US.

The Offer Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of US. The Entitlements may not be taken up by persons in US or by persons (including nominees or custodians) who are acting for the account or benefit of a person in US, and the Offer Shares may not be offered, sold or resold in US or to, or for the account or benefit of, a person in US except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act of 1933 and applicable securities laws of any state or other jurisdiction in US.

Ineligible Shareholders are not entitled to participate in the Offer.

4.18 Enquiries

Any questions concerning the Offer should be directed to the Company Secretary on (03) 9692 7222.

5. Purpose and effect of the Offer

5.1 Use of funds raised

Completion of the Offer will result in an increase in cash at hand of up to approximately \$1.52 million (before the payment of the costs associated with the Offer).

The Company intends to apply the funds raised under the Offer and the proceeds of the Placement (approximately \$2 million in total) to undertake the depressive burden trial; commercialisation of MEBsleep; commercialisation of ilumenTM; the development of a consumer app and general working capital purposes.

The above statement is a statement of current intentions as at the date of this Offer Document. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied.

5.2 Effect of the Offer

The principal effect of the Offer will be to:

- (a) increase the cash reserves and issued capital by up to approximately \$1.52 million immediately after completion of the Offer prior to deducting the estimated expenses of the Offer; and
- (b) increase the total number of Shares on issue from 1,011,463,372 by up to 252,865,843 Shares, such that there will be approximately 1,347,662,548 Shares on issue following completion of the Offer and factoring in the issue of the Placement Shares.

Please see section 5.3 of this Offer Document for further details.

5.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Offer Shares are issued, is set out below.

Shares	Number
Shares on issue as at date of Offer Document	1,011,463,372
Offer Shares offered pursuant to the Offer	252,865,843
Placement Shares to be issued under the Placement	83,333,333
Total Shares on issue after completion of the Offer	1,347,662,548

Options	Number
Quoted Options on issue as at the date of this Offer Document expiring 1 December 2021, exercisable at \$0.03 per Option (MEBOB)	836,328,540
Unlisted Options on issue as at the date of this Offer Document, expiring various dates and exercisable at various prices (MEBAD)	63,637,113
Underwriter Options to be issued to the Underwriter	20,000,000
Total Options on issue after completion of the Offer	919,965,653

5.4 Possible dilutive effect

The dilutionary effect of the Offer on your shareholding will depend on whether you are an Eligible Shareholder and if so, whether you elect to subscribe for some or all of your Entitlement.

If Eligible Shareholders take up all of their entitlements under the Offer, Eligible Shareholders will hold the same percentage interest in the Company as they did immediately prior to completion of the Offer.

However, to the extent that any Shareholder fails to take up their full Entitlement to Offer Shares under the Offer, or is are Ineligible Shareholders unable to participate in the Offer, that Shareholder's percentage holding in the Company will be diluted.

Please refer to Section 5.5 of this Offer Document for detail of the effect of the Offer on voting power in the Company.

5.5 Effect of Offer on Voting Power in the Company

As the acquisition of Shares under the Offer and Shortfall Offer does not satisfy the requirements of exception 10 of section 611 of the Corporations Act, no person (including the Underwriter or any sub-Underwriters) will be entitled to acquire Offer Shares pursuant to the Offer or Shortfall Offer if to do so would result in their, or another person's, Voting Power in the Company increasing from 20% or below to more than 20%, or from a starting point above 20% to below 90%, unless an exception to the restrictions contained in section 606 of the Corporations Act applies.

Accordingly, as there are currently no exceptions to the restrictions contained in section 606 of the Corporations Act and in light of the size of the Offer, the Offer is not expected to have any material effect or consequence on the control of the Company.

Details of the control implications are set out below.

Shareholders should note that if they do not participate in the Offer, then following completion of the Offer, their Voting Power could be diluted by up to 18.76%. Further, the impact of both the Offer and the Placement may result in a dilution of their Voting Power of up to 24.95%. Examples of how the dilution may impact Shareholders are set out below.

The below table assumes that:

- the Placement Shares are placed in accordance with the firm commitments received by the Company;
- no Shares are issued before the Record Date, as a result of the exercise of Options; and
- those Entitlements not accepted are placed as Additional Shares or subscribed by the Underwriter.

Holder	Record Date		Entitlement	Post-Placement		Post-Offer	
	Shares	%	Shares	Shares	%	Shares	%
Shareholder 1	100,000,000	9.89%	25,000,000	100,000,000	9.13%	100,000,000	7.42%
Shareholder 2	50,000,000	4.94%	12,500,000	50,000,000	4.57%	50,000,000	3.71%
Shareholder 3	20,000,000	1.98%	5,000,000	20,000,000	1.83%	20,000,000	1.48%
Total	1,011,463,372	100%	252,865,843	1,094,796,705	100%	1,347,662,548	100%

Shareholders should also note that if all Shareholders do not take up their Entitlement and accordingly, are ineligible to subscribe for any Additional Shares, the Underwriter will obtain a maximum Voting Power of 18.76% of the Company. The table below sets out examples of the possible voting power of the Underwriter based on the participation of Shareholders in the Offer.

This table assumes that:

- the Placement Shares are placed in accordance with the firm commitments received by the Company;
- no Shares are issued before the Record Date, as a result of the exercise of Options; and
- those Entitlements not accepted are placed solely with the Underwriter or its associates.

Underwriter's Voting Power Pre-Offer	Total Shareholder take up of Entitlements	Shares taken up by Underwriter under Shortfall	Underwriter's Voting Power Post-Offer
0%	100%	0	0%
0%	50%	126,432,922	9.38%
0%	25%	189,649,383	14.07%
0%	0%	252,865,843	18.76%

5.6 Details of substantial holders

Based on publicly available information as at the close of trading on 4 June 2020, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Substantial Shareholder	At date of Offer Document		On completion of Offer	
	Shares	%	Shares	%
FIL Limited	91,785,128	9.07%	91,785,128	6.81%
Total	91,785,128	9.07%	91,785,128	6.81%

If a substantial holder of the Company does not participate in the Offer, and the Offer and any Shortfall is fully subscribed, their holding will be diluted.

6. Risk Factors

6.1 Introduction

An investment in the Company is not risk free and should be regarded as speculative.

There are specific risks which relate directly to the Company's activities. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares and the underlying Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed and do not take into account the individual circumstances of Shareholders.

The Directors strongly recommend potential Investors to consider the risk factors described below, together with information contained elsewhere in this Offer Document and consult with their professional advisers before deciding whether to apply for Shares under this Offer Document.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Specific risks

(a) Competition regulation and loss of reputation

The health industry is intensely competitive and subject to rapid and significant change. A number of companies, both in Australia and abroad, may be pursuing the development of products that target the same markets that the company is targeting. The Company's products may compete with existing products that are already available to customers. In addition, a number of companies, both in Australia and abroad, may be pursuing the development of products that target the same customers that the Company is targeting. The Company may face competition from parties who have substantially greater resources.

(b) Regulatory approvals and investigations

The research, development, manufacture, marketing and sale of products using the Company's technology are subject to varying degrees of regulation by a number of government authorities in Australia and overseas. Specifically, the Company will be submitting a De Novo application to the U.S. Food and Drug Administration (FDA) in mid 2021 for its sleep staging software, MEBsleep. The FDA will review that application and determine if it is appropriate to clear that application for marketing in the US.

Such approval from the FDA is reliant on regulator interpretation of data from trial and other development activities, and can take longer, require additional work (including further trials) or may not be provided at all. As a result, the Company's development programs on MEBsleep and any other product requiring FDA approval, may be delayed, incurring additional cost and may require additional funding to obtain such approvals. Any disruption, delay or failure of the Company to obtain any necessary approvals could impact adversely on the Company.

Other than regulatory approvals for applications made by the Company, the Company may also become subject to regulatory investigations by any one or more regulatory bodies for current or historical actions by the Company. Depending on the outcome of regulatory investigations, the Company may be fined or sanctioned and its reputation and brand may be negatively impacted, which could adversely affect its business prospects, financial condition and results of operation.

(c) **Dependence upon key personnel**

The Company depends on the talent and experience of its personnel as its primary asset. There may be a negative impact on the Company if any of its key personnel leave. It may be difficult to replace them, or to do so in a timely manner or at comparable expense. Additionally, any key personnel of the Company who leave to work for a competitor may adversely impact the Company.

In summary, the Company's ability to attract and retain personnel will have a direct impact on its ability to deliver its commercialisation and commitments. Additionally, increases in recruitment, wages and contractor costs may adversely impact upon the financial performance of the Company.

(d) **Requirement to raise additional funds**

The Company may be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise that capital when it is required or, even if available, the terms may be unsatisfactory. If the Company is unsuccessful in obtaining funds when they are required, the Company may need to delay or scale down its operations.

(e) **Research & Development Grant (Commonwealth)**

The Company is eligible each year for an R&D Tax Incentive refund. The R&D Tax Incentive is an Australian Government program under which companies receive cash refunds for 43.5% of eligible expenditure on research and development. There is no guarantee that this program will continue or that the eligibility criteria will not change. Refunds are subject to audit by the Australian Tax Office and AusIndustry which may result in a requirement for repayment in certain circumstances.

(f) **Growth**

There is a risk that the Company may be unable to manage its future growth successfully. The ability to hire and retain skilled personnel as outlined above may be a significant obstacle to growth.

(g) **Intellectual Property**

The Company's ability to leverage its innovation and expertise depends upon its ability to protect its intellectual property and any improvements to it. The intellectual property may not be capable of being legally protected, it may be the subject of unauthorised disclosure or be unlawfully infringed, or the Company may incur substantial costs in asserting or defending its intellectual property rights.

(h) **Risk of delay and continuity of operations**

The Company may experience delays in achieving some or all of its milestones, including but not limited to product development, obtaining regulatory approvals, or delays in sales of licensing. The Company is also dependent on amongst other things its technology, key personnel and IT systems. Any disruption or delay to any key inputs could impact adversely on the Company.

(i) **Liability claims**

The Company may be exposed to liability claims if its services are provided in fault and/or cause harm to its customers. As a result, the Company may have to expend significant financial and managerial resources to defend such claims. If a successful claim is made against the Company, it may be fined or sanctioned and

its reputation and brand may be negatively impacted, which could adversely affect its business prospects, financial condition and results of operation.

The Company may be exposed to claims from employees who have left the company or may leave it in future for unfair dismissal.

(l) **Contractual risks**

As a party to contracts, the Company will have various contractual rights in the event of noncompliance by a contracting party. However, no assurance can be given that all contracts will be fully performed by all contracting parties and that the Company will be successful in securing compliance with the terms of each contract by the relevant third party.

(m) **Exchange rate risk**

The expenditure of the Company is and will be in Australian and US currencies, exposing the Company to fluctuations and volatility of the rates of exchange between the Australian dollar and the US dollar as determined in international markets.

(n) **Commercialisation**

Developing software and technology is expensive and often involves an extended period of time to achieve a return on investment. While the Company's business strategy is to continue to make investments in innovation in the development and commercialisation of its technologies, the company may not receive significant revenues from these investments for several years (if at all).

(o) **COVID-19**

The COVID-19 pandemic and associated restrictions on social distancing imposed by governments has had and continues to have an impact on the Company business and in particular on the Company's operations in Minneapolis, US. Furthermore, the progress of the clinical trials undertaken by the Company in US has been hindered by the closure of sleep clinics across the US as a result of COVID-19.

There are also other changes in the domestic and global macroeconomic environment associated with the events relating to COVID-19 that are beyond the control of the Company and may be exacerbated in an economic recession or downturn. These include but are not limited to:

- changes in inflation, interest rates and foreign currency exchange rates;
- changes in employment levels and labour costs;
- changes in aggregate investment and economic output; and
- other changes in economic conditions which may affect the revenue or costs of the Company.

While it is difficult for the Company to quantify the extent and duration of the impact of the COVID-19 pandemic on the global economy, any sustained period of economic downturn as a result of the pandemic may disrupt or delay the Company's intended programs and may impact the Company's ability to raise capital in the near to medium-term future.

6.3 General risks

(a) Economic risks and market conditions

Factors, such as, but not limited to, world economic conditions, political instability, stock market trends, interest rates, exchange rates, inflation levels, commodity prices, industrial disruption, environmental impacts, international competition, taxation changes and legislative or regulatory changes may all have an adverse impact on our revenues, operating costs, profit margins and Share price. These factors are beyond the control of the Company and the Company cannot predict how they will impact its business.

(b) Changes in legislation and government regulation

Government legislation in Australia or any other relevant jurisdiction, including changes to the taxation system, may affect future earnings and relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

(c) Unforeseen risk

There may be other risks which the Directors are unaware of at the time of issuing this Offer Document which may impact on the Company, its operations and/or the valuation and performance of the Company's securities.

(d) Combination of risk

The Company may not be subject to a single risk. A combination of risks, including any of the risks outlined in this Section could affect the performance valuation, financial performance and prospects of the Company.

(e) Unforeseen expenditure risk

Expenditure may need to be incurred that has not been taken into account in the preparation of this Offer Document. Although the Company is not aware of any additional expenditure requirements other than those announced on the ASX and disclosed in this Offer Document, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(f) Market conditions

Equities market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Equities market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and biotechnology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(g) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and may be prevented from progressing the commercialisation of its products. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(h) **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Offer Document.

Therefore, the Shares to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Offer Document.

7. Additional information

7.1 Continuous disclosure obligations

The Company is listed on the ASX and its Shares are quoted on the ASX under the code: MEB.

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports. The Company is required to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

This Offer Document is issued pursuant to section 708AA of the Corporations Act without disclosure to investors under Part 6D.2 of the Corporations Act.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus or other disclosure document that is required to satisfy the Corporations Act. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Offer Document which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

7.2 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date this Offer Document and the respective dates of those sales were:

	Share Price	Date
Highest	\$0.009	06/04/2020
Lowest	\$0.005	13/03/2020 to 19/03/2020; 26/03/2020 to 27/03/2020
Last	\$0.007	02/06/2020

7.3 Interests of Directors

The interests of the Directors hold either directly or through their controlled entities in the securities of the Company as at the date of this Offer Document are as follows:

Director	Shares	Options	Entitlement (Offer Shares)
Claude Solitario	41,812,576	40,333,040	10,453,144
Peter Carlisle	125,500	8,159,556	31,375

Director	Shares	Options	Entitlement (Offer Shares)
Melanie Leydin	Nil	4,800,000	Nil

The Board recommends all Eligible Shareholders take up their Entitlements and advises that all Directors intend to take up their respective Entitlements in full where eligible.

7.4 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

7.5 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company currently operates an electronic issuer-sponsored register and an electronic CHES sub-register. The two sub-registers together will comprise the Company's register of Shares.

The Company will not issue certificates. Investors who are allotted Shares under this Offer Document will be provided with a transaction confirmation statement which sets out the number of Shares allotted to the Investor. Investors who elect to hold Shares on the issuer-sponsored sub-register will be provided with a holding statement (similar to a bank account statement) which sets out the number of Shares allotted to the Shareholder under this Offer Document. For Investors who elect to hold their Shares on the CHES sub-register, the Company will issue an advice that sets out the number of the Shares allotted to the Investor under this Offer Document. At the end of the month of allotment, CHES, acting on behalf of the Company, will provide those Shareholders with a holding statement that confirms the number of Shares held and any transactions during that month.

A holding statement (whether issued by CHES or the Company) will also provide details of the applicable Holder Identification Number in case of a holding on the CHES sub-register or Reference Number in case of a holding on the issuer-sponsored sub-register. Following distribution of these initial holding statements, a holding statement will also be provided to each Shareholder at the end of any subsequent month during which the balance of that Shareholder's holding of securities in the Company changes.

A Shareholder may request a holding statement at any other time. However, a charge may be imposed by the Share Registry for additional statements.

7.6 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or the Share Registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth), the Corporations Act and certain rules such

as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process the application.

7.7 Rights issue exception not available

No nominee has been appointed for Ineligible Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in Item 10 of Section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of their Entitlement, they must have regard to section 606 of the Corporations Act. Eligible Shareholders who may be at risk of exceeding the 20% Voting Power threshold in section 606 as a result of acceptance of their Entitlement or subscribing for Additional Shares pursuant to the Shortfall Offer should seek professional advice before completing and returning the Entitlement and Acceptance Form.

7.8 Litigation

So far as the Company is aware, there are no legal or arbitration proceedings, active or threatened against, or being brought by, the Company which may have a material effect on the Company's financial position.

7.9 No cooling-off rights

Cooling-off rights do not apply to an investment in Offer Shares. You cannot, in most circumstances, withdraw your application once it has been accepted.

7.10 Alteration of terms

The Company reserves the right, at its discretion, to vary all or part of the Offer at any time, subject to the Corporations Act and ASX Listing Rules and any other law or regulation to which the Company is subject.

7.11 Placement

The Company has entered into a capital raising mandate with the Underwriter on 9 June 2020, pursuant to which the Underwriter has agreed to manage the Placement. The Company has agreed to pay to the Underwriter the following fees:

- (a) an aggregate fee of 6% (plus GST) of the total gross amount raised under the Placement; and
- (b) 20,000,000 unquoted Options each with a deemed issue price of \$0.00001 (0.001 cents) an exercise price of \$0.03 (3 cents) per Option and expiring on 2 June 2022 (**Underwriter Options**).

In addition, the Company has agreed to pay the Underwriter a monthly retainer fee of \$4,000 (excluding GST) for ongoing corporate advisory services for a period of 12 months.

7.12 Underwriting

The Company has entered into an underwriting agreement with the Underwriter dated 9 June 2020 (**Underwriting Agreement**), pursuant to which the Underwriter has agreed to underwrite the Offer by procuring Applications for any Offer Shares that are not subscribed for by Eligible Shareholders pursuant to the Offer. The Underwriter has the right to, in consultation with the Company, nominate and determine who is to receive all of the Offer Shares not subscribed for as Entitlement.

The Company has agreed to pay to the Underwriters the following fees:

- (a) \$20,000; and

- (b) an aggregate fee of 6% (plus GST) of the total gross amount underwritten by the Underwriter.

The Company will also be required to indemnify the Underwriters for certain costs and expenses incurred by it in relation to the Offer, including certain legal fees.

The Underwriting Agreement contains various representations, warranties, indemnities and undertakings in favour of the Underwriters that are not unusual for an underwriting arrangement of this sort. In particular, the Underwriting Agreement contains various representations and warranties by the Company relating to the Company and its business, including information provided to the Underwriter and disclosed to the ASX. The Underwriting Agreement also imposes various obligations on the Company, including undertakings to do certain things, including providing certain notices to the Underwriter and the ASX within prescribed periods. The Underwriting Agreement also places certain restrictions on the Company for a period of three months from the date of the Underwriting Agreement, including restrictions on amendments to its constitution, disposing of the whole or a substantial part of its business or property and restrictions on the issue of Shares by the Company.

The obligation of the Underwriter to underwrite the Offer is conditional on customary conditions including, amongst others, the dispatch of this Offer Document and certain events not occurring during the period the Offer is open.

If certain events occur, the Underwriter has the right to terminate the Underwriting Agreement. In summary, these include:

- (a) (Certificate) a certificate which is required to be furnished by the Company under the Underwriting Agreement is not furnished by the time specified or any statement in a certificate is untrue, inaccurate, incomplete or misleading or deceptive in any material respect;
- (b) (unable to issue Shares) the Company is prevented from issuing the Offer Shares within the time required by the Listing Rules, applicable laws, an order of a court of competent jurisdiction or a government agency;
- (c) (Offer Document and cleansing notice to comply) the Offer Document, cleansing notice or any aspect of the Offer does not comply in any material respect with the Corporations Act or the Listing Rules or any other applicable law including due to:
 - (i) a statement in the Offer Document or cleansing notice which is or becomes misleading or deceptive or likely to mislead or deceive in a material respect, or omit any information that is required (having regard to the provisions of section 708AA);
 - (ii) any forecasts, expressions of opinion, intention or expectation expressed in the Offer Document or cleansing notice, are not, in all material respects, based on reasonable assumptions;
- (d) (withdrawal) the Company withdraws the Offer;
- (e) (market fall) any of the All Ordinaries Index, XKO 3510 Health Eq & Services Index or the Standard and Poors/ASX Small Resources Index as published by ASX falls at any time by 10% or more below the level on the business day before the date the Offer is announced;
- (f) (ASIC action): ASIC gives notice of an intention to hold a hearing, examination or investigation, or it requires information to be disclosed in connection with the Offer, the Placement or the Company;
- (g) (regulatory action) the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel and the Takeovers Panel elects to hear the application

- (h) (listing) ASX announces that the Company will be removed from the official list or that any Shares will be delisted or suspended from quotation by ASX;
- (i) (offences by Directors) a director or a senior manager of a Relevant Company is charged with an indictable offence;
- (j) (insolvency) the Company or a related corporate entity is insolvent or there is an act or omission which may result in the Company or a related corporate entity becoming Insolvent;
- (k) (capital structure) the Company alters its capital structure or constitution without the prior written consent of the Underwriters;
- (l) (ASX approval) unconditional approval (or conditional approval, provided such condition would not, in the reasonable opinion of the Underwriter, have a material adverse effect on the success or settlement of either component of the Offer) by the ASX for official quotation of the Offer Shares;
- (m) (Timetable) any event specified in the timetable is delayed for more than 3 business days without the prior written consent of the Underwriters.

8. Definitions

\$ or Dollars means dollars in Australian currency (unless otherwise stated).

AEST means Australian Eastern Standard Time.

Additional Shares has the meaning given to that term in section 4.13 of this Offer Document.

Applicant means an Eligible Shareholder has submitted an Application.

Application means an application for Offer Shares or Additional Shares pursuant to this Offer Booklet.

Application Monies means monies received by the Company from Applicants with respect to the Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASTC means ASX Settlement Pty Ltd ACN 008 504 532.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day that is not a Saturday, Sunday or a public holiday in Melbourne, Victoria.

CHESS means Clearing House Electronic Sub-register System of ASTC.

Closing Date means 5.00pm (AEST) on the date specified in the timetable set out at section 1.2 this Offer Document or such other date as may be determined by the Directors.

Company means Medibio Limited ACN 008 130 336.

Constitution means the constitution of the Company as at the date of this Offer Document.

Corporations Act means the *Corporations Act 2001* (Cth), as amended.

Directors means the directors of the Company as at the date of this Offer Document.

Eligible Shareholder has the meaning given to that term in section 4.6 of this Offer Document.

Entitlement means the non-renounceable entitlement for Eligible Shareholders to subscribe for Offer Shares on the basis of one (1) Offer Share for every four (4) Shares held on the Record Date. Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of Offer Shares.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Offer Document.

Ineligible Shareholders means any Shareholder who is not an Eligible Shareholder.

Issue Price means \$0.006 (0.6 cents) per Offer Share.

Investor means an investor participating in the Offer.

Listing Rules means the official listing rules of ASX, as amended from time to time.

Offer means the non-renounceable entitlement issue of one (1) Offer Share for every four (4) Shares held by those Eligible Shareholders registered at the Record Date at the Issue Price.

Offer Document means this document dated Wednesday, 10 June 2020 under which the Offer is made, and includes any amended or replacement summary document.

Offer Share means a new fully paid Share in the capital of the Company to be issued pursuant to the Offer or Shortfall Offer.

Offer Website means <https://medibio2020offer.thereachagency.com>.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement means the placement undertaken by the Company on 10 June 2020 under which the Placement Shares were issued to sophisticated investors and professional investors to raise \$500,000 (before costs and expenses) in accordance with sections 708(8) and 708(11) of the Corporations Act.

Placement Shares means approximately 83,333,333 Shares to be issued pursuant to the Placement.

Record Date means 7.00pm (AEST) on the date specified in the timetable set out at section 1.2 this Offer Document.

Regulation S means Regulation S promulgated under the US Securities Act.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Computershare Investor Services Pty Limited ACN 078 279 277.

Shareholder means a holder of a Share.

Shortfall means the extent to which Eligible Shareholders do not subscribe for Offer Shares (including Additional Shares) pursuant to the Offer.

Shortfall Offer means the entitlement offer to Eligible Shareholders to subscribe for Additional Shares in excess of their Entitlement in accordance with section 4.13 of this Offer Document.

Underwriter means CPS Capital Group Pty Ltd ACN 088 055 636.

Underwriter Options has the meaning given to the term in section 7.11 of this Offer Document.

Underwriting Agreement means the underwriting agreement between the Underwriter and the Company dated 9 June 2020, as summarised in section 7.12 of this Offer Document.

US means the United States of America.

US Person means, among other things and subject to certain exceptions:

- (a) any natural person resident in the US;

- (b) any partnership, corporation or other entity organised or incorporated in the US;
- (c) any trust of which any trustee is a US person;
- (d) any agency or branch of a foreign entity located in the US;
- (e) any account held by a dealer or other fiduciary that either is organised, incorporated or resident in the US or holds for the benefit or account of a US Person; or
- (f) any partnership or corporation that is organised or incorporated in a foreign jurisdiction by a US person principally for the purpose of investing in securities not registered under the US Securities Act.

US Securities Act means the *United States Securities Act of 1933*, as amended.

Voting Power has the meaning given to that term in the Corporations Act.

9. Corporate Directory

Directors

Mr Claude Solitario
Managing Director and CEO

Mr Peter Carlisle
Non-Executive Director

Ms Melanie Leydin
Director

Company Secretaries

Ms Melanie Leydin

Mr Mathew Watkins

Share Registry

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001

Tel: 1300 855 080 (within Australia)
+61 3 9414 4000 (outside Australia)
Website: www.computershare.com.au/investor

Registered Office

Level 4, 96-100 Albert Road
South Melbourne, Victoria 3205

Tel: +61 3 9692 7222
Facsimile: +61 3 9077 9233
Website: www.medibio.com.au

Legal adviser

Gadens
Level 25, Bourke Place
600 Bourke Street
MELBOURNE VIC 3000

ASX Code

MEB

**For all enquiries:****Phone:**

Medibio Limited +61 3 9692 7222

MEB

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:

See overleaf for details of the Offer and
how to make your payment

Non-Renounceable Entitlement Offer — Entitlement and Acceptance Form

Your payment must be received by 5:00pm (AEST) Monday 29 June 2020

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Registration Name & Retail Entitlement Offer Details

Details of the shareholding and entitlements for the Retail Entitlement Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you accept your full Entitlement, you can also apply for Additional New Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Offer Document dated 10 June 2020.

Make your payment by **BPAY®** using the details overleaf.

If you are a shareholder in New Zealand or Hong Kong that is unable to pay via BPAY®, please contact the Company Secretary using the phone number above for alternative electronic funds transfer (EFT) payment

Note payment by cheque or cash is not accepted.
Receipts will not be forwarded. Funds cannot be debited directly from your account.

Payment must be received by 5:00pm (AEST) Monday 29 June 2020


Entitlement and Acceptance Form

X 9999999991 I ND

STEP 1

Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

 For your security keep your SRN/
HIN confidential.

Entitlement No: 12345678

Offer Details: Existing shares entitled to participate as at
7:00pm (AEST) Monday 15 June 2020:

Entitlement to New Shares
on a 1 for 4 basis:

Amount payable on full acceptance
at \$0.006 per New Share:


4,000
1
\$0.01

STEP 2

Make Your Payment by 5:00pm (AEST) Monday 29 June 2020

To avoid postal delay make your payment via **BPAY** either online or by phone with your bank using the payment details below.

BPAY

	Biller Code: 321224 Ref No: 1234 5678 9123 4567 89
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Contact your financial institution to make your
payment from your cheque or savings account.

BPAY
Neither Computershare Investor Services Pty Limited (CIS) nor Medibio Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time. Eligible Shareholders should use the customer reference number shown on this Application Form when making a BPAY payment.

Privacy Notice
The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the **issuer**), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at www.computershare.com/au/privacy-policies.