



Medibio Limited

ABN 58 008 130 336

Appendix 4D  
Half-yearly Report  
31 December 2020

*Provided to the ASX under Listing Rule 4.2A.3*

**Medibio Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity: Medibio Limited  
ABN: 58 008 130 336  
Reporting period: For the half-year ended 31 December 2020  
Previous period: For the half-year ended 31 December 2019

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**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	up	30.4% to	1,026,830
Loss from ordinary activities after tax attributable to the owners of Medibio Limited	down	69.0% to	(741,807)
Loss for the half-year attributable to the owners of Medibio Limited	down	69.0% to	(741,807)

*Dividends*

There were no dividends paid, recommended or declared during the current financial period.

*Comments*

The loss for the group after providing for income tax amounted to \$741,807 (31 December 2019: \$2,389,685).

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**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.02)</u>	<u>(0.12)</u>

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**4. Control gained over entities**

Not applicable.

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**5. Loss of control over entities**

Not applicable.

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**6. Dividends**

*Current period*

There were no dividends paid, recommended or declared during the current financial period.

*Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

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**7. Dividend reinvestment plans**

Not applicable.

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**8. Details of associates and joint venture entities**

Not applicable.

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**9. Foreign entities**

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

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**10. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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**11. Attachments**

*Details of attachments (if any):*

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**12. Signed**



Signed \_\_\_\_\_

Date: 24 February 2021

Claude Solitario, Managing Director

**Medibio Limited**  
**Corporate directory**  
**31 December 2020**

Directors	Mr Claude Solitario (Managing Director and CEO) Mr Peter Carlisle (Non-Executive and Lead Independent Director) Ms Melanie Leydin (Director and Joint Company Secretary)
Joint company secretaries	Ms Melanie Leydin Mr Mathew Watkins
Registered office	Level 4, 100 Albert Road South Melbourne VIC 3205 Telephone: +61 3 9692 7222 Facsimile: +61 3 9077 9233
Share register	Computershare Investor Services Pty Limited Level 3, 60 Carrington Street Sydney, NSW, 2000 Telephone: 1300 850 505
Auditor	William Buck (Qld) Level 21, 307 Queen Street Brisbane QLD 4000 Telephone: +61 7 3229 5100 Facsimile: +61 7 3221 6027
Legal advisors	Gadens Level 25 Bourke Place, 600 Bourke Street Melbourne VIC 3000 Telephone: +61 3 9252 2555 Facsimile: +61 3 9252 2500
Bankers	Westpac Banking Corporation
Stock exchange listing	Medibio Limited securities are listed on the Australian Securities Exchange (ASX code: MEB & MEBOB)
Website	<a href="http://www.medibio.com.au">www.medibio.com.au</a>

**Medibio Limited**  
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**31 December 2020**

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**Medibio Limited**  
**Directors' report**  
**31 December 2020**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of Medibio Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

**Directors**

The following persons were directors of Medibio Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Claude Solitario (Managing Director and CEO)  
Mr Peter Carlisle (Non-Executive and Lead Independent Director)  
Ms Melanie Leydin (Director and Joint Company Secretary)

**Principal activities**

The principal activity of the Group is conducting clinical research, product development and early stage commercialisation of a mental health technology using objective biomarkers to assist in the screening, diagnosing, monitoring, and management of depression and other mental health conditions.

**Review of operations**

The loss for the group after providing for income tax amounted to \$741,807 (31 December 2019: \$2,389,685).

The development of Medibio's core intellectual property known as MEB-001, that aims to identify clinical depressive burden in sleep disturbed patients, is progressing well. The Company is currently undertaking the "Sleep Analysis of Depressive Burden" (SADB) trial to validate MEB-001 as a medical device. In October 2020, Medibio entered into a Clinical Trial Agreement ("CTA") with MedBridge Healthcare LLC ("MedBridge") to support Medibio's SADB trial. MedBridge recognizes the importance of identifying depression among patients suffering from sleep disturbance and the potential of Medibio's technology and its clinical application to address this unmet need. MedBridge is the leading provider of sleep laboratory management services in the United States, operating over 130 sleep disorder diagnostic centres and performing over 70,000 sleep disorder diagnostic procedures annually. MedBridge partners with hospitals and physician practices to offer comprehensive, fully-integrated services for the identification, testing, diagnosis, therapeutic coordination, and long-term care management of patients with sleep disorders. Under the CTA, MedBridge, in collaboration with Ohio Sleep Solutions in Columbus, Ohio, will coordinate research guidelines and services for the SADB trial to fast-track patient recruitment.

Inaccurate and inadequate diagnosis is a major barrier to effective treatment of depression, contributing to its recurrence and increasing the likelihood it will lead to a life-threatening disorder. By providing an objective measure of depressive burden, MEB-001 reduces the bias associated with self-report questionnaires and facilitates help-seeking behaviour; in addition the resulting increase in accuracy and efficiency allows for a reduction in costs currently borne by the healthcare system. In an effort to fast-track the application process in response to the heightened mental health concerns resulting from the COVID-19 pandemic and resulting economic conditions, in September 2020 Medibio submitted an application with the FDA for "Breakthrough Device Designation" for MEB-001. In November 2020, the FDA notified Medibio that its application for Breakthrough Designation did not satisfy the FDA's Breakthrough Device criteria.

In April 2020, Medibio submitted an 510(k) application for its sleep staging software, MEBsleep. MEBsleep is a software-only medical device that analyses Electroencephalogram (EEG) and Electrocardiogram (ECG) data collected during polysomnography to verify sleep stages and heart rate variability (HRV) in patients suffering from primary or secondary sleep disturbances. MEBsleep uses artificial intelligence, deep learning algorithms and neural network methodology to analyse large amounts of raw data, including autonomic nervous system modulation throughout sleep stages, to highlight key information to assist the physician in understanding the patient's condition.

In December 2020, the FDA advised it requires a larger sample of clinical data better reflecting the proposed intended use population, in order for it to be considered substantially equivalent to its chosen predicate device. The FDA did, however, provide a detailed pathway as to how Medibio may achieve approval for MEBsleep and invited the company to discuss the additional steps required. Following subsequent consultations, the FDA have since indicated that new data may not be required. Medibio is currently considering whether to submit a new 510(k) application. Whilst regulatory approval is not required for MEBsleep's primary purpose (as an integral part of the depressive burden software device MEB-001), the Company believes MEBsleep is of commercial value and represents an early revenue opportunity in the clinical sector. It is also important to note that this program has not affected the progress of the depressive burden trial which is Medibio's primary objective. The Company is currently pursuing commercial opportunities in the research market, which does not require regulatory approval.

**Medibio Limited**  
**Directors' report**  
**31 December 2020**

In January 2021, Medibio received CE Mark approval for MEBsleep. CE Mark approval allows Medibio to commercialise MEBsleep across the European Economic Community. The intended users of this device are sleep technicians and researchers. The company is currently exploring commercialization paths with European academic groups and pharma companies focused on behavioural sleep medicine.

In November 2020, Medibio signed a three-year Global Master License and Services Agreement (GLA) with Compass Group Plc. for Medibio's corporate mental health product, ilumen. Compass is a multinational corporation providing contract food and related support services across a number of industry groups, including Business & Industry, Defence, Offshore & Remote, Education, Healthcare and Sports & Leisure. Under the terms of the Agreement, Medibio will make ilumen available to Compass Group companies electing to implement the technology for the benefit of their employees. The agreement also grants Compass Group companies the right to license ilumen to their client companies, which include many multinational corporations. Revenue generation, which Medibio expects to be material, will depend on the rate and level of adoption by Compass Group companies and their client companies. The annual licence fee is a SaaS (Software as a Service) fee calculated per-employee, per annum based on the size of the workforce of the particular company enrolled in the program, regardless of the level of employee participation. Since executing the GLA, Medibio has been working with Compass Head Office in London to identify opportunities to implement ilumen amongst Compass companies and Compass client companies. Discussions are ongoing with a number of Compass companies around the world, including but not limited to Compass Australia regarding implementation for its internal staff and significant clients in the Australian mining and resources sector. All of these discussions are progressing well albeit slower than they would otherwise without travel constraints due to border restrictions.

The COVID-19 pandemic and its many social and economic consequences has exacerbated mental health conditions amongst the global population. In the United States, the increased stress and worry has adversely impacted the mental health of an estimated fifty-three percent of adults. Medibio intends to address this increased need and demand for mobile mental wellness through its Consumer App, which will be made available on Android and iOS platforms. The Company's pioneering work in the use of biometric data to aid in the early detection and screening of mental health conditions, together with its patented method of assessing stress by monitoring overnight heart rate, underpins the functionality of Medibio's Consumer App, which includes both biometric and psychometric assessments.

The Consumer App's unique biometric functionality will include:

- A Sleep Stress Score that evaluates the time it takes a person to fall asleep each night, the duration and quality of sleep every night, the number of times sleep is interrupted by awakening and the frequency of early awakening
- A Cardiovascular Stress Score that calculates the amount of energy used by the body during physical activity;
- An Activity Stress Score that analyses the amount of energy used by the body during physical activity with combined activity levels and corrected for the user's age; and
- An Overall Stress & Wellbeing Score that assigns a weighting to specific factors from each of the three stress scores above (sleep, cardiovascular and activity).

This unique feature will set it apart from competitors in the marketplace. Medibio's market research indicates no other viable instore mental health app has patent protected biometric functionality. Development work is progressing according to plan. The commercial launch in the USA is expected in advance of Mental Health Awareness Week in October 2021.

**Significant changes in the state of affairs**

On 13 July 2020, the Group completed the fully underwritten Non-Renounceable Entitlement Offer and issued 252,865,843 fully paid ordinary shares at \$0.006 (0.6 cents) per share raising \$1,517,195 before costs.

On 9 October 2020, the Group issued 16,000,000 unlisted options to employees and are subject to various vesting conditions and meeting certain KPI's in line with the Company's strategic plans. The options are exercisable at \$0.012 (1.2 cents) per option expiring on 6 October 2023.

On 8 December 2020, the Group issued another 2,900,000 unlisted options with exercise price at \$0.012 (1.2 cents) per option expiring on 6 October 2023. On the same date, the Group issued 11,250,000 unlisted options to a Director of the Company for his services as Director. The options are exercisable at \$0.011 (1.1 cents) per option expiring on 8 December 2025.

There were no other significant changes in the state of affairs of the group during the financial half-year.

**Medibio Limited**  
**Directors' report**  
**31 December 2020**

**Matters subsequent to the end of the financial half-year**

On 10 February 2021, the Group announced that it would raise up to \$3.5 million by way of a \$3 million Placement and a \$500,000 Share Purchase Plan (**SPP**) that was expected to be underwritten in full which was confirmed as announced on 15 February 2021. The Placement would be completed in two tranches with the second tranche subject to shareholder approval. Tranche one comprised of 222,222,222 Shares at an issue price of \$0.009 (0.9 cents) and 55,555,555 free attaching Options to be issued which was completed on 15 February 2021. Tranche two will be subject to shareholder approval and consist of 111,111,111 Shares at an issue price of \$0.009 (0.9 cents) and 27,777,778 free attaching Options.

The fully underwritten SPP will also be subject to shareholder approval and will consist of 55,555,555 Shares at an issue price of \$0.009 (0.9 cents) and 13,888,888 free attaching options expected to be completing during early April 2021.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Claude Solitario  
Managing Director

24 February 2021



The Directors  
Medibio Limited  
Level 4 100 Albert Road  
South Melbourne VIC 3205

### **Auditor's Independence Declaration**

As lead auditor for the review of Medibio Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Medibio Limited and the entities it controlled during the period.

*William Buck*

**William Buck (Qld)**  
ABN 21 559 713 106

*M. Monaghan*

**M J Monaghan**  
Director

Brisbane 24 February 2021

#### **ACCOUNTANTS & ADVISORS**

Level 21, 307 Queen Street  
Brisbane QLD 4000  
GPO Box 563  
Brisbane QLD 4001  
Telephone: +61 7 3229 5100  
**williambuck.com**

**Medibio Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2020**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Sales	4	99,634	79,791
Other income	5	927,196	707,387
<b>Expenses</b>			
Cost of sales		(169,664)	(137,338)
Employee costs	6	(396,052)	(1,345,270)
Research & development		(290,699)	(370,740)
Finance costs		(2,967)	(24,064)
Depreciation and amortisation expense		(148,717)	(74,595)
Other expenses		(760,538)	(1,224,856)
<b>Loss before income tax expense</b>		<b>(741,807)</b>	<b>(2,389,685)</b>
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of Medibio Limited</b>		<b>(741,807)</b>	<b>(2,389,685)</b>
<b>Other comprehensive loss</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(60,787)	(16,241)
Other comprehensive loss for the half-year, net of tax		(60,787)	(16,241)
<b>Total comprehensive loss for the half-year attributable to the owners of Medibio Limited</b>		<b>(802,594)</b>	<b>(2,405,926)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	11	(0.06)	(0.31)
Diluted earnings per share	11	(0.06)	(0.31)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Medibio Limited**  
**Statement of financial position**  
**As at 31 December 2020**

	<b>Note</b>	<b>Consolidated</b> <b>31 December</b> <b>2020</b> <b>\$</b>	<b>30 June</b> <b>2020</b> <b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		832,359	812,503
Trade and other receivables		40,480	32,505
Other current assets		45,482	16,688
<b>Total current assets</b>		<u>918,321</u>	<u>861,696</u>
<b>Non-current assets</b>			
Other assets		2,350	78,271
Right-of-use assets		16,832	71,440
Intangibles	7	13,616,160	13,002,170
<b>Total non-current assets</b>		<u>13,635,342</u>	<u>13,151,881</u>
<b>Total assets</b>		<u>14,553,663</u>	<u>14,013,577</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		1,052,700	1,204,221
Lease liabilities		18,265	76,905
Employee liabilities		154,328	123,063
<b>Total current liabilities</b>		<u>1,225,293</u>	<u>1,404,189</u>
<b>Total liabilities</b>		<u>1,225,293</u>	<u>1,404,189</u>
<b>Net assets</b>		<u>13,328,370</u>	<u>12,609,388</u>
<b>Equity</b>			
Issued capital	8	93,008,255	91,669,201
Reserves		5,444,852	5,323,117
Accumulated losses		(85,124,737)	(84,382,930)
<b>Total equity</b>		<u>13,328,370</u>	<u>12,609,388</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Medibio Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2020**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Foreign Currency Translation Reserve \$</b>	<b>Share Based Payments Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2019	84,424,838	(142,176)	4,821,109	(80,499,301)	8,604,470
Adjustment upon adoption of AASB 16	-	-	-	(11,225)	(11,225)
Balance at 1 July 2019 - restated	84,424,838	(142,176)	4,821,109	(80,510,526)	8,593,245
Loss after income tax expense for the half-year	-	-	-	(2,389,685)	(2,389,685)
Other comprehensive loss for the half-year, net of tax	-	(16,241)	-	-	(16,241)
Total comprehensive loss for the half-year	-	(16,241)	-	(2,389,685)	(2,405,926)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	6,718,060	-	-	-	6,718,060
Share-based payments (note 12)	-	-	474,430	-	474,430
Balance at 31 December 2019	<u>91,142,898</u>	<u>(158,417)</u>	<u>5,295,539</u>	<u>(82,900,211)</u>	<u>13,379,809</u>

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Foreign Currency Translation Reserve \$</b>	<b>Share Based Payments Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2020	91,669,201	(123,019)	5,446,136	(84,382,930)	12,609,388
Loss after income tax expense for the half-year	-	-	-	(741,807)	(741,807)
Other comprehensive loss for the half-year, net of tax	-	(60,787)	-	-	(60,787)
Total comprehensive loss for the half-year	-	(60,787)	-	(741,807)	(802,594)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 8)	1,339,054	-	-	-	1,339,054
Share-based payments (note 12)	-	-	182,522	-	182,522
Balance at 31 December 2020	<u>93,008,255</u>	<u>(183,806)</u>	<u>5,628,658</u>	<u>(85,124,737)</u>	<u>13,328,370</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Medibio Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2020**

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	72,859	85,536
R&D Grants and other income	944,996	-
Payments to suppliers and employees	<u>(1,407,618)</u>	<u>(2,829,259)</u>
Net cash used in operating activities	<u>(389,763)</u>	<u>(2,743,723)</u>
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	(775,935)	(471,266)
Interest received	<u>1,000</u>	<u>7,253</u>
Net cash used in investing activities	<u>(774,935)</u>	<u>(464,013)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares/convertible notes	8 1,517,197	4,710,855
Share issue transaction costs	(178,142)	(478,631)
Repayment of lease liabilities	<u>(58,640)</u>	<u>(104,725)</u>
Net cash from financing activities	<u>1,280,415</u>	<u>4,127,499</u>
Net increase in cash and cash equivalents	115,717	919,763
Cash and cash equivalents at the beginning of the financial half-year	812,503	1,333,090
Effects of exchange rate changes on cash and cash equivalents	<u>(95,861)</u>	<u>(48,406)</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>832,359</u></u>	<u><u>2,204,447</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Medibio Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 1. General information**

The financial statements cover Medibio Limited as a group consisting of Medibio Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Medibio Limited's functional and presentation currency.

Medibio Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4, 100 Albert Road  
South Melbourne VIC 3205  
Telephone: +61 3 9692 7222  
Facsimile: +61 3 9077 9233

A description of the nature of the group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 February 2021.

**Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

**Going concern**

As at 31 December 2020, the Group had a net asset position of \$13,328,370 (30 June 2020: \$12,609,388). However, as at 31 December 2020 it had:

- Incurred a comprehensive loss for the period of \$802,594 (31 December 2019: \$2,405,926)
- Net cash outflows from operations of \$389,763 (31 December 2019: \$2,743,723)
- Cash at bank of \$832,359 (30 June 2020: \$812,503)
- Current liabilities exceed current assets by \$306,972 (30 June 2020: current liabilities exceed current assets by \$542,493)

The Group's ability to continue as a going concern is dependent upon the generation of cash from operations, the sufficiency of current cash reserves to meet existing obligations, the ability to reschedule planned research and development activity, raising of further equity and receipt of grant funding and research and development tax incentives.

In July 2020, the Group raised \$1,517,195 before share issue costs for the completion of the Non-Renounceable Entitlement Offer. The directors are confident that the Group is able to raise further equity from its shareholders and sophisticated professional investors if required.

**Medibio Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 2. Significant accounting policies (continued)**

Subsequent to the end of the period the Group announced that it would raise up to \$3.5 million by way of a \$3 million Placement and a \$500,000 Share Purchase Plan (SPP) that was expected to be underwritten in full which was confirmed as announced on 15 February 2021. The Placement would be completed in two tranches with the second tranche subject to shareholder approval. Tranche one comprised of 222,222,222 Shares at an issue price of \$0.009 (0.9 cents) and 55,555,555 free attaching Options to be issued which was completed on 15 February 2021. Tranche two will be subject to shareholder approval and consist of 111,111,111 Shares at an issue price of \$0.009 (0.9 cents) and 27,777,778 free attaching Options.

The fully underwritten SPP will also be subject to shareholder approval and will consist of 55,555,555 Shares at an issue price of \$0.009 (0.9 cents) and 13,888,888 free attaching options expected to be completing during early April 2021. Accordingly, the directors believe the Group will be able to pay its debts as and when they fall due for a period of at least 12 months from the date of the financial statements.

**Note 3. Operating segments**

The consolidated entity has one operating segment, being the research, development and commercialisation of its Software as a Service product, and one geographical location, being Australia. It maintains a US based subsidiary to support US and Canadian research and development activities.

All revenue earned during the half years ended December 2020 and December 2019 was sourced from Australia.

All assets reside in two geographical regions being Australia \$7,208,857 (June 2020: \$10,883,359) and USA \$6,910,009 (June 2020: \$3,258,463)

**Note 4. Sales**

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
Sales	80,834	72,500
Interest received	18,800	7,291
	<u>99,634</u>	<u>79,791</u>

**Note 5. Other income**

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
R&D grant/rebate, net of allowance	803,167	674,158
Other income	124,029	33,229
	<u>927,196</u>	<u>707,387</u>

**Medibio Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 6. Employee costs**

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
Wages and salaries	152,754	1,140,840
Share based payment	182,522	204,430
Other employee expenses	41,102	-
Payroll tax and benefits	19,674	-
	<u>396,052</u>	<u>1,345,270</u>

Share based payments relate to options issued to employees during the period, refer to note 12 for further details.

**Note 7. Non-current assets - intangibles**

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Goodwill - at cost	444,999	444,999
Goodwill - Acquisition of Vital Conversations Pty Ltd	309,100	309,100
Goodwill - Accumulated impairment losses	(754,099)	(754,099)
	<u>-</u>	<u>-</u>
Development - at cost	3,762,906	3,283,941
ilumen Application Development - at cost	792,230	750,772
Less: Accumulated amortisation	(76,736)	-
	<u>715,494</u>	<u>750,772</u>
MEB-001 Application Development - at cost	1,343,116	1,172,813
Data files - at cost	7,794,644	7,794,644
	<u>13,616,160</u>	<u>13,002,170</u>

**Note 8. Equity - issued capital**

	<b>Consolidated</b>			
	<b>31 December 2020</b>	<b>30 June 2020</b>	<b>31 December 2020</b>	<b>30 June 2020</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>1,347,662,569</u>	<u>1,094,796,705</u>	<u>93,008,255</u>	<u>91,669,201</u>



**Medibio Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 8. Equity - issued capital (continued)**

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2020	1,094,796,705		91,669,201
Issue of shares to fully underwritten Non-Renounceable Entitlement Offer	13 July 2020	252,865,843	\$0.006	1,517,195
Issue of shares for options exercised	26 August 2020	21	\$0.030	1
Share Issue Costs		-	\$0.000	(178,142)
Balance	31 December 2020	<u>1,347,662,569</u>		<u>93,008,255</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

**Note 9. Equity - dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Note 10. Events after the reporting period**

On 10 February 2021, the Group announced that it would raise up to \$3.5 million by way of a \$3 million Placement and a \$500,000 Share Purchase Plan (**SPP**) that was expected to be underwritten in full which was confirmed as announced on 15 February 2021. The Placement would be completed in two tranches with the second tranche subject to shareholder approval. Tranche one comprised of 222,222,222 Shares at an issue price of \$0.009 (0.9 cents) and 55,555,555 free attaching Options to be issued which was completed on 15 February 2021. Tranche two will be subject to shareholder approval and consist of 111,111,111 Shares at an issue price of \$0.009 (0.9 cents) and 27,777,778 free attaching Options.

The fully underwritten SPP will also be subject to shareholder approval and will consist of 55,555,555 Shares at an issue price of \$0.009 (0.9 cents) and 13,888,888 free attaching options expected to be completing during early April 2021.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

**Medibio Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 11. Earnings per share**

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Medibio Limited	<u>(741,807)</u>	<u>(2,389,685)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,331,081,196</u>	<u>759,560,950</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,331,081,196</u>	<u>759,560,950</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.06)	(0.31)
Diluted earnings per share	(0.06)	(0.31)

**Note 12. Share-based payments**

Set out below are summaries of options granted under share based compensation arrangements:

31 December  
2020

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
11/09/2017	11/10/2022	\$0.450	2,000,000	-	-	-	2,000,000
30/11/2017	30/11/2020	\$0.400	3,000,000	-	-	(3,000,000)	-
06/06/2018	18/06/2022	\$0.440	3,637,113	-	-	-	3,637,113
21/06/2018	18/06/2023	\$0.450	1,350,000	-	-	-	1,350,000
21/06/2018	11/10/2020	\$0.800	3,000,000	-	-	(3,000,000)	-
15/05/2019	13/06/2023	\$0.010	14,500,000	-	-	-	14,500,000
19/07/2019	14/06/2023	\$0.010	9,500,000	-	-	-	9,500,000
19/08/2019	19/08/2023	\$0.020	2,600,000	-	-	-	2,600,000
19/08/2019	19/08/2024	\$0.015	7,750,000	-	-	-	7,750,000
22/11/2019	20/12/2023	\$0.011	8,800,000	-	-	-	8,800,000
02/06/2020	02/06/2022	\$0.030	7,500,000	-	-	-	7,500,000
18/06/2020	02/06/2022	\$0.030	20,000,000	-	-	-	20,000,000
09/10/2020	06/10/2023	\$0.012	-	16,000,000	-	-	16,000,000
08/12/2020	06/10/2023	\$0.012	-	2,900,000	-	-	2,900,000
08/12/2020	08/12/2025	\$0.011	-	11,250,000	-	-	11,250,000
			83,637,113	30,150,000	-	(6,000,000)	107,787,113

Grant date	Expiry date	Share price at grant date	Exercise price	Volatility %	Fair value	Risk free rate %
09/10/2020	06/10/2023	0.011	0.012	119.00%	0.00753	0.15%
08/12/2020	06/10/2023	0.010	0.012	121.00%	0.00665	0.12%
08/12/2020	08/12/2025	0.010	0.011	121.00%	0.00818	0.12%

**Note 12. Share-based payments (continued)**

On 9 October 2020, the consolidated entity issued 16 million unlisted options with an exercise price of 1.2 cents. The options expire 6 October 2023 and were issued to employees and are subject to various vesting conditions and meeting certain KPI's in line with the Company's strategic plans. The fair value of these options upon issue was \$78,011, which is based on the price on grant date for these quoted options.

On 8 December 2020, the consolidated entity issued 2.9 million and 11.2 million unlisted options with an exercise price of 1.2 cents and 1.1 cents respectively. The options expire 6 October 2023 and 8 December 2025 and were issued to an employee and directors as approved by shareholders. The 2.9m are subject to various vesting conditions and meeting certain KPI's in line with the Company's strategic plans. The 11.2 million options vested immediately. The fair value of these options upon issue was \$12,487 and \$92,024, which are based on the price on grant date for these quoted options.

**Medibio Limited**  
**Directors' declaration**  
**31 December 2020**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Claude Solitario  
Managing Director

24 February 2021

## Medibio Limited

### Independent auditor's review report

## Report on the Review of the Half-Year Financial Report

### Conclusion

We have reviewed the accompanying half-year financial report of Medibio Limited (the company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Medibio Limited is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Material Uncertainty related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the consolidated entity incurred a loss of \$802,594 (31 December 2019: \$2,405,926) and had net cash outflows from operations of \$389,763 (31 December 2019: \$2,743,723) during the half year ended 31 December 2020. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

#### ACCOUNTANTS & ADVISORS

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### **Responsibility of Management for the Financial Report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibilities for the Review of the Half-Year Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*William Buck*

### **William Buck (Qld)**

ABN: 21 559 713 106

*M. Monaghan*

### **M J Monaghan**

Brisbane 24 February 2021