

MARCH 2023 QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

HIGHLIGHTS

- **Breakthrough Device Designation lodged with FDA**
- **SAMDE study: Phase 1 progresses with over 287 usable subjects enrolled at the end of March 2023: Phase 2 enrolment expected to commence early May**
- **Company raises \$1.245m through private placement and opens Share Purchase Plan to raise a further \$1.5m which is partially underwritten**
- **Cash on hand of \$556k as at 31 March 2023**
- **Reorganisation of Executive Team and Board of Directors completed subsequent to the end of the quarter**
- **Clinical Team invited to present three posters at the 2023 World Sleep Congress in Brazil, Rio de Janeiro in October 2023**

Melbourne, Australia, and Minneapolis, MN – 27 April 2023: Medibio Limited (MEB or the Company) (ASX: MEB) (OTCPINK: MDBIF) is pleased to present its quarterly activities report and Appendix 4C for the three months ended 31 March 2023.

CLINICAL BUSINESS UNIT UPDATE

Sleep Signal Analysis for Current Major Depressive Episode (SAMDE) Update

On 27 February 2023, the Company announced that it had met a major strategic milestone in lodging its Sleep Signal Analysis for Current Major Depressive Episode study (MEB-001) algorithm under the Breakthrough Device Designation (**BDD**) with the FDA. The Company is expected to hear back from the FDA in early May.

The Company's SAMDE study is currently on schedule. Over 287 usable subjects were enrolled at the end of March with over 300 usable subjects expected by the end of April. This will complete the first phase of the trial where the group of patients were self-reporting their answers to the MINI (Mini International Neuropsychiatric Interview) assessment.

Phase 2 of the trial is expected to commence early May where the group of patients will complete the MINI assessment via an interactive interview conducted by a qualified clinician. Phase 2 is expected to require 200-250 subjects. The Company will also add 3-5 additional sleep centers and expect completion of Phase 2 of the trial within 20 weeks of commencement.

Algorithm Development

The clinical team has continued to enhance the algorithm development and focused on cross-center performance stability, results repeatability, internal consistency and improved accuracy. Currently early training data for MEB-001 demonstrates a sensitivity of 72%, specificity of 71% and Negative Predictive Value of 92%. The early training data exceeds the accuracy for the current Standard of Care of screening in sleep centers.

CORPORATE UPDATE

During the quarter, the Company completed the reorganisation of its Executive Team and Board of Directors. On 15 February 2023, the Company announced the appointment of Chris Ntoumenopoulos as a non-executive director of the Company. Chris is the Managing Director of Twenty 1 Corporate, an Australian based corporate advisory firm that provides funding and corporate support for innovative companies and technologies.

The Company announced the resignation of Dr Matt Mesnik as a director of the Company on 16 March 2023.

Subsequent to the end of the quarter

On 12 April 2023, the Company announced what should be the completion of its restructure with:

- the appointment of Dr Thomas Young as an executive director of the Company;
- the resignation of Ms Melanie Leydin as a non-executive director of the Company
- the resignation of Mr Mathew Watkins and the appointment of Mr Stephen Buckley as Company Secretary with effect from 17 April 2023; and
- the change in registered office and principal place of business to 647 Beaufort Street, Mount Lawley WA.

Medibio is presenting at the 2023 World Sleep Congress

Medibio's clinical team is presenting 3 posters at the 2023 World Sleep Congress in Brazil, Rio de Janeiro. Acceptance of Medibio's academic work in such a highly prestigious event, indicates the high-value of the sleep behaviour health research performed by the Company. The poster titles are:

1. A novel objective digital mental health platform based on machine learning for screening of current major depressive episodes in sleep clinics
2. Cortical hyperarousal and depressive symptoms relationship in individuals with sleep-wake disorders
3. The effects of opioid use on sleep microstructure in subjects with sleep-wake disorders.

FINANCIAL OVERVIEW

On 15 February 2023, the Company announced that it had received commitments of \$1.245 million from professional and sophisticated investors by way of a private placement. It was further announced that the Company would be undertaking a Share Purchase Plan to raise up to a further \$1.5 million which is partially underwritten by the Company's non-executive directors, Mr David Trimboli and Mr Christopher Ntoumenopoulos for an aggregate of \$350,000.

Cash on hand at the end of the March quarter was approximately \$566k compared to \$318k at the end of the December quarter.

Net cash outflows for the March quarter were \$378k compared to cash inflows for the December quarter of \$199k. The December quarter included an R & D government incentive of \$938k, meaning the business operating costs for the March quarter were down by \$361k.

Staff, administration and corporate costs were down by \$127k to \$358k when compared to the December quarter. Product manufacturing and operating costs of \$26k were \$162k lower than the December quarter.

The Company continues to closely monitor its cash position and continuously reviews funding requirements on an ongoing basis to ensure that the Company has sufficient working capital to continue to fund its business operations to meet its objectives.

The Company is currently seeking approval from shareholders to approve the Share Purchase Plan and related issuances at an extraordinary general meeting to be held on 23 May 2023 (see ASX announcement 21 April 2023).

As per item 6 of the attached Appendix 4C cash flow report for the quarter, there were no payments to related parties and their associates of Medibio Limited.

This announcement is authorised for release by the Board of Directors of Medibio Limited.

ENDS

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About Medibio Limited

Medibio (ASX: MEB) (OTCPINK: MDBIF) is a mental health technology company pioneering the use of objective measures to aid in the early detection and screening of mental health conditions. Through their Corporate Health product, the Company offers mental well-being solutions for businesses and are also developing products to serve the healthcare provider market. The Company was founded in Australia, with offices located in Perth (WA) and Minneapolis (MN). Medibio is listed on the Australian Securities Exchange Ltd and trades on the OTCPINK Market. Investors can find additional information on www.otcmarkets.com and www.asx.com.au.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

MEDIBIO LIMITED

ABN

58 008 130 336

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	24
1.2 Payments for		
(a) research and development	-	(41)
(b) product manufacturing and operating costs	(26)	(377)
(c) advertising and marketing	-	(59)
(d) leased assets	-	-
(e) staff costs	(145)	(361)
(f) administration and corporate costs	(213)	(857)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	7	945
1.8 Other (IP expenditure)	-	-
1.9 Net cash from / (used in) operating activities	(378)	(728)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	(530)	(1,537)
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(530)	(1,537)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,245	2,091
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(91)	(171)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (payment of lease liabilities)	-	(24)
3.10	Net cash from / (used in) financing activities	1,154	1,896

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	318	1,033
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(378)	(728)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(530)	(1,537)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1154	1,896
4.5	Effect of movement in exchange rates on cash held	2	(98)
4.6	Cash and cash equivalents at end of period	566	566

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	566	318
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	566	318

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(378)
8.2	Cash and cash equivalents at quarter end (item 4.6)	566
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	566
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.5
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	The entity expects the current level of net operating cash flows to slightly increase as it begins to expand its clinical trial and product development in the clinical research space. The entity has and continues to undertake cost optimisation strategies to manage its liquidity and future expected net cash outflows.	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	The entity is currently undertaking a capital raise via share purchase plan to raise up to \$1.5m to fund its operations which is partially underwritten by two non-executive directors up to \$350,000.	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	The entity does expect to be able to continue its operations and to meet its business objectives on the basis of the factors presented in 8.6.1 and 8.6.2. The Board has confidence in the ability of the Company to raise further cash as and when needed as evidenced by its recent raising of \$1.245million through a private placement in February 2023 and an additional \$1.4million in the past 12 months. The entity also anticipates the receipt, subject to approval, of government grants and tax incentives related to the entity's research and development activities	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 April 2023

Authorised by: By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.