

Completion of capital raising of \$2.6 million, restructure, and acquisition of Mental Health Technology

Sydney, Australia – 2 April 2015: Medibio Ltd (**MEB** or the **Company**) is pleased to advise that it has completed a capital raising of \$2.607 million and as a result, finalised the restructure as set out in the notice of meeting to shareholders dated 2 February 2015 ("**NOM**"). MEB is now the 100% owner of Invatec Pty Limited ("**Invatec**"), and the circadian heart rate technology for the diagnosis of depression and other mental health disorders.

As a result of the above, the following has taken place effective today's date:

- acquisition of 100% of Invatec and the issue of 25,537,500 fully paid ordinary shares to the vendor shareholders of that company. In addition, there are a further 19,890,000 shares that may be issued by the Company for commercial milestone achievements over the next five years;
- issue of 8,690,000 placement shares at a price of \$0.30 per share, raising \$2.607 million
- conversion of the Series A and Series B convertible notes into fully paid ordinary shares, plus attaching options. The total number of shares issued is 18,516,667, including both the conversion of notes approved at the EGM on 6 March 2015, and the conversion of notes previously approved by shareholders;
- issue of 150,000 ordinary shares to Mr. Chris Indermaur an incoming director of the Company
- issue of shares and options to certain Board members as approved at the EGM and
- issue of 6.417 million Options on terms set out in the NOM.

In addition to the above, the Company has today:

- issued a further 2,206,488 fully paid shares to various unrelated parties in relation to services and acquisition of certain intellectual property;
- issued a further 113,388 fully paid shares to certain investors who held the Series A and Series B (excluding Directors). The investors agreed to receive payment of their interest in the form of fully paid ordinary shares. Additionally, the Chairman has agreed to capitalise his interest entitlements by electing to exercise part of the options package due to him arising from the issue of the Series A convertible notes. The total number shares issued to him was 136,658 and
- appointed Mr. Chris Indermaur as the Non-Executive Chairman and that such appointment is effective from close of business of today's date.

The Board also notes that the following variation to the approvals set out in the NOM:

1. As part of the approvals, the "Major Shareholders", as defined in the NOM were entitled to receive 3,630,690 Milestone Shares on terms set out in the Notice. The Major Shareholders have agreed not to receive some or all of the Milestone Shares, at the Discretion of the Board, if the Board believes (at its sole discretion) that one or more people within management or other employees should instead be entitled to shares up to the amount of the Milestone Shares. The effect of this agreement

is that ultimately fewer Milestone Shares would be issued to the Major Shareholders and provide more scope for the issue of shares to management, at the Board's sole discretion. Any issue of shares to management will need to be within the placement capacity of the Company at the time, or the Company will seek shareholder approval; and

2. The Company has also negotiated the waiver of a \$100,000 cash payment which was due upon the acquisition of certain technology by Invatec.

The above variations are considered to be terms that are more favourable to the Company.

As a result of the above, and the share consolidation announced on 20 March 2015 the issued capital of the Company has changed from 3,514,856,036 shares and various Convertible Notes, pre-consolidation, to 90,249,604 fully paid ordinary shares, on a post consolidated basis. Of the shares issued as consideration for the Invatec acquisition, 23,929,978 are Restricted Securities. This is consistent with the information provided in the NOM.

Retiring Chairman, Vince Fayad commented, *"It is pleasing to see such a well-supported capital raising being completed and the conclusion of the restructure. The Company is now well positioned so as to move forward and achieve the targets set for itself in order to achieve commercialisation of its technology and create shareholder value"*.

End

About Medibio Limited

Medibio (ASX: MEB) is a medical technology company developing a new diagnostic test for depression and other mental health disorders. This test is based on measured differences in circadian heart rate and measures of heart rate variability. The technology is based on the discovery that circadian heart rates are sensitive measures for depression and other mental health disorders. The technology consists of a heart monitor that sends recordings wirelessly to the internet where a proprietary algorithm analyses and delivers a quantifiable diagnosis. The Technology has the potential to be the first FDA-approved objective, evidence based approach to the diagnosis of depression and other affective disorders. The technology has already benefited from 10 years of laboratory research and Medibio is undertaking pivotal studies to validate its clinical utility with the University of New South Wales, Black Dog Institute, and The Johns Hopkins University School of Medicine. Located in Sydney, NSW, Medibio is listed on the Australian Stock Exchange.

Further Information:	
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