

Quarterly Update and Message

Melbourne, Australia and Minneapolis, MN – 31 October 2019: Medibio Limited (MEB or the Company)(ASX: MEB)(OTCQB: MDBIF), a health technology company today provides the following quarterly update.

Key highlights from the quarter

- Six-week licence agreement for ilumen™ signed with a second British multinational mining company headquartered in London, United Kingdom with operations across South Africa, North and South America, and Australia.
- Commercial agreements signed with Compass Group Plc, for three UK-based pilots and one Australia-based pilot for ilumen™
- Announced product development partnership with digital corporate wellness leader WellteQ
- Welcomed new board members and established a Growth & Advocacy Advisory Board
- Raised \$4,709,955 by way of a placement and fully underwritten SPP
- Announced results of the Company's review of partly paid shares

Post balance date events

- First 12-month commercial annual agreement for ilumen™ signed with PwC Australia
- Provided a market update on the success of the first ilumen™ pilot with the Business and Industry division of Compass.
- The Company was invited to share highlights of Medibio's work at two industry events:
 - David B. Kaysen, Chairman, CEO & Managing Director, along with Lindsey Hagan, VP Strategy & Business Development, led a session at the Manova Global Health Summit
 - Chairman, CEO & Managing Director David B. Kaysen invited to participate on a panel at the Garmin Digital Health Summit APAC
- Dissolution of the Company's Scientific Advisory Board

Company Update:

Post balance date, the Company [released](#) the Notice of Annual General Meeting (AGM) Explanatory Statement and Proxy Form. The AGM will be held Friday, 22 November 2019, 10.00am (AEDT).

ASX Announcement

Medibio Limited – 31 October 2019



Commercialisation of Corporate Wellbeing Solution ilumen™

In September 2019, the Company signed a six-week licence agreement for ilumen™ with a British multinational mining company. The license agreement allows for one of the company's division consisting of approximately 500 employees in Singapore (Singapore), United Kingdom (London), Australia (Brisbane), Chile (Santiago), Brazil (Rio De Janeiro), and South Africa (Johannesburg) to take part in the ilumen™ well-being program that commenced in October 2019. This agreement marked another step forward for Medibio in achieving its global commercialisation strategy of ilumen™.

During the quarter, Medibio also signed commercial agreements with Compass Group PLC ("Compass") to begin four pilot programs of its corporate health product, ilumen™. Pilot programs were announced as follows:

- Business and Industry division in the United Kingdom, announcement [here](#),
- Offshore and Remote division in the United Kingdom, announcement [here](#),
- Compass Group Australia with full details [here](#), and
- Defence Division in the United Kingdom, announcement is available [here](#).

The first of these four pilots successfully completed within the quarter, having achieved a voluntary engagement rate of 65.3%. Medibio continues to work with Compass with two further pilots having commenced in mid-October, which will run for four weeks. These pilot programs are providing invaluable insight as we work to further our relationship with the Compass Group. The fourth pilot is currently planned to commence in January 2020.

In July 2019, the Company announced a partnership agreement with WellteQ. The parties will work together to implement a unique digital solution incorporating Medibio's mental well-being assessment into Wellteq's personalised and holistic wellness platform. Full details of this announcement can be viewed [here](#). During the quarter, teams from both parties began work on development of the MVP (Minimally Viable Product). The MVP is expected to release to the market no later than the end of January 2020. Through this partnership, representatives from the Company were invited to attend the recent Garmin Health Summit Europe to learn, connect, and share ideas around integration of wearables into business solutions. The power of partnership for innovators like Medibio was consistent throughout the event and aligns with our collaborative approach to the work we are doing. We invite you to [read](#) our team's key learning from this summit.

Regulatory Update

The Company has progressed work to implement the revised regulatory strategy released to the market in April 2019. Working with our clinical partners at Humanitas work has continued on the development of software products based on Medibio's intellectual property. Specific focus of the work is to reinforce clinical relevance needed to align with regulatory guidance and market needs. This includes working to complete, evaluate, validate, and test the performance of the algorithms. The teams are also working to

ASX Announcement



Medibio Limited – 31 October 2019

finalise details of a multi-site clinical study with a sleep centre in support of the planned submission to the FDA. Of utmost importance is not the timing of our submission, but rather the quality of the submission which will hopefully lead to FDA clearance.

New Board Members and Establishment of Growth & Advocacy Board

During the quarter, the Company announced changes to the structure of the Board of Directors with the appointment of three new Non-executive Directors and establishment of a Growth & Advocacy Advisory Board.

Mr Michael Phelps and Mr. Patrick Kennedy tendered their resignations as Non-Executive Directors of Medibio Limited effective 29 August 2019 as part of a planned transition to a newly formed Growth & Advocacy Advisory Board which will enable them to take a more active role in public awareness and advocacy for Medibio.

Dr. Franklyn Prendergast also tendered his resignation as Non-Executive Director of Medibio effective 29 August 2019 due to personal and other business obligations.

The Board of Directors, as part of a thorough review of necessary skills, background and expertise to guide Medibio forward with its business and commercial strategies appointed Ms Lisa Wipperman Heine, Dr Lisa Ragen Ide, and Ms Liwanag Ojala as new Non-Executive Directors effective 29 August 2019. These new members bring superb qualifications and the entire Board is dedicated to work closely with the management team as we execute our newly focused strategies and to provide the proper governance for the company.

Quarterly Expenditure and Cash at Bank

In July 2019 the Company announced a strongly supported raise of \$4,709,955 by way of a placement and fully underwritten Share Purchase Plan ('SPP'). Highlights of the announcement include:

- Commitments received for \$3.5 million placement at \$0.01 per fully paid ordinary share;
- SPP on the same terms, underwritten for \$1,209,955
- Placement completed over two tranches;
 - Investors under the placement and Eligible shareholders under the SPP were offered 1 free attaching option for each new share subscribed for, exercisable at \$0.03 until an expiry date of 1 December 2021 and for which the Company sought quotation on the ASX which was subsequently granted;
 - Existing holders of convertible notes have agreed to early conversion of their notes for fully paid ordinary shares at a conversion price equal to the issue price under the Placement. Each

ASX Announcement

Medibio Limited – 31 October 2019



- noteholder were offered 1 free option for each Share issued; and
- Issue of securities under Tranche two of the Placement, the SPP (including underwritten shortfall) and the free attaching options upon the conversion of notes were all subject to shareholder approval, which was received at an Extraordinary General Meeting ('EGM') held on 19 August 2019.

The Placement was lead managed by CPS Capital Group Pty Limited ('CPS'). Under the lead manager mandate, CPS (or its nominees) were offered to subscribe for up to 90,000,000 options which will be calculated on a pro-rata basis proportionate to the amount of Placement securities issued to investors that are procured by CPS and was subject to shareholder approval which was granted at the EGM held on 19 August 2019.

The funds raised by the Company under the Placement will be used for its regulatory submission with the FDA, commercialising its ilumen™ product into different markets, maintaining its revised CE mark, and to meeting the costs of the Placement. The additional working capital will enable the continued growth of the Company's current products alongside its future products.

In September, the Company announced the results of a review by its Board of Directors of binding agreements related to partly paid shares. After conducting a thorough review and analysis of the circumstances around the purported issue of the partly paid shares and having obtained legal advice, the Board concluded that the partly paid shares were not validly issued as the conditions on which the partly paid shares were offered were not satisfied and has requested agreement from the respective holders to rectify the Company's register of members accordingly. The holders of the overwhelming majority of the partly paid shares have agreed in writing to the Board's request, with the holders of a small minority of shares not responding to correspondence. As a result, the 4,650,000 partly paid shares will be eliminated from the Company's Capital Table and the outstanding receivable on the Company's Balance Sheet as of 30 June 2019 were removed.

The capital raise completed by the Company resulted in proceeds of \$4.7 million (before costs) that will be directed primarily towards research and development efforts in the coming months. With the recent cutbacks in staff and the move to the use of shorter-term technology vendors, the Company will be able to direct dollars to specific areas of need and to hire the specialists required for each stage of the product development.

The Company's cash position at 30 September 2019 was \$4.0 million. Cash inflows of approximately \$36,000 came from customer payments, GST refunds and interest payments. The Company came in under budget with \$1,633,000 in cash outflows during the quarter.

The cash management policies reflect the Company's continued focus on core activities and the impact of cost reduction strategies detailed in previous quarters. Included in the cash expenditures were payments related in part to recurring business activities, including the development of products, the annual audit,

ASX Announcement



Medibio Limited – 31 October 2019

and costs incurred for regulatory filings. Other expenditures included final payments on legacy contracts and agreements, and more will be paid off in the upcoming quarter. Expenditures also included payments to Mr David B. Kaysen in his capacity as Chairman, Managing Director and CEO. Ms Melanie Leydin, Director and Joint Company Secretary, was compensated for corporate secretarial services via payments to Leydin Freyer Corp Pty Ltd. As previously announced the Company is not currently remunerating Non-Executive Directors by way of cash but rather in options as previously approved by shareholders.

The Company will file the fiscal year 2018-19 R&D tax credit return with the Australian Tax Office in October and expects a refund of \$674,158. This refund will be applied to the fiscal year 2017-2018 liability that stems from underspending on R&D during that year, and the Company self-reported this debt to the ATO. The accrued liability to the ATO has been carried on the Company's balance sheet and will be paid in full with minimal effect on the cash position.

Subsequent Events

Commercialisation of Corporate Health Wellbeing Solution

In October 2019, Medibio was pleased to announce its first annual commercial agreement for ilumen™ with PricewaterhouseCoopers (PwC), Australia. As part of the agreement, ilumen™ will be made available for a term of 12 months to all PwC personnel across Australia, commencing in October 2019. This agreement follows a successful program that Medibio conducted for PwC Australia in 2018. The full announcement is available [here](#).

Also post balance date, the Company released a market update on the completed pilot program with Compass Group, Plc. Under the terms of the contract ilumen™ was offered, on a voluntary basis, to personnel within the Business and Industry Division in the United Kingdom. The full market update is available [here](#). Highlights include the following:

- The program achieved a voluntary engagement rate of 65.3%
- Medibio is continuing to work with Compass with two further pilots having commenced in mid-October and the fourth planned to commence in January 2020
- These pilot programs are providing invaluable insight to the Company as we work to further our relationship with the Compass Group.

The Company continues to respond to inquiries and conduct exploratory meetings to follow up on the interest in ilumen™ in Australia and internationally.

Advancing Brand & Product Awareness

The Company had recent opportunities to advance brand awareness through industry events.

- In October, David B. Kaysen, Chairman, CEO & Managing Director, along with Lindsey Hagan, VP Strategy & Business Development, led a session at the Manova Global Health Summit. In its second year Manova brought together global experts, innovators and leaders powering the conversation on the future of health. Medibio had the opportunity to lead one of the breakout

ASX Announcement

Medibio Limited – 31 October 2019



sessions focused on mental health and shared the company's vision for using data to empower mental wellness.

- Also, in October Chairman, CEO & Managing Director, David B. Kaysen was invited to participate on a panel at the Garmin Digital Health Summit APAC held in Taipei. Attendees gathered to gain new insights into Corporate Wellness, Population Health and Patient Monitoring. Kaysen joined other panelists for the discussion *Beyond piloting: Long-term commercial success with digital health solutions*.

Scientific Advisory Board

Effective immediately, the Company has moved to dissolve the Scientific Advisory Board ('SAB'). Medibio's Scientific Advisory Board was chaired by Franklyn Prendergast, M.D., Ph.D. and was created to assist directors and management to stay abreast of industry and mental health research developments, advise on scientific matters involving safety and effectiveness of planned products, and help assure that Medibio leadership makes well informed choices in committing its resources.

Dr. Prendergast's recent resignation from his Non-Executive Director role also left the leadership role of the SAB open. With the revised regulatory strategy announced in April 2019 and ongoing refinement of Medibio's product strategy, the Company has evaluated its ability to properly utilize the expertise of the SAB at this time. As the Company looks forward, Medibio will engage experts if and when needed for specific projects.

"We thank each member for their contributions to the Company's work and mission," said David B. Kaysen, Chairman, CEO and Managing Director. "We especially appreciate Dr. Prendergast's leadership in forming the SAB and guiding their work with Medibio's clinical and technical teams."

Closing

Thank you for your continued support of Medibio and your time and attention to this report.

Warmest regards,

A handwritten signature in black ink, appearing to read "David B. Kaysen", with a long horizontal flourish extending to the right.

David B. Kaysen
Chairman, Managing Director and CEO

– ENDS –

ASX Announcement

Medibio Limited – 31 October 2019



About Medibio Limited

Medibio (ASX: MEB) (OTCQB: MDBIF) is a 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 Melbourne (Vic) and U.S. offices in Minneapolis, MN. Medibio is listed on the Australian Securities Exchange Ltd and trades on the OTCQB Venture Market. Investors can find additional information on www.otcm Markets.com and www.asx.com.au.

Further Information:	Website: www.medibio.com.au
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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Medibio Limited

ABN

58 008 130 336

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	22	22
1.2 Payments for		
(a) research and development	(411)	(411)
(b) product manufacturing and operating costs	(1)	(1)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(597)	(597)
(f) administration and corporate costs	(660)	(660)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (GST refund)	13	13
1.9 Net cash from / (used in) operating activities	(1,633)	(1,633)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) 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	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	4,711	4,711
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(467)	(467)
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 (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	4,244	4,244

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,333	1,333
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,633)	(1,633)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	4,244	4,244

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	17	17
4.6	Cash and cash equivalents at end of quarter	3,961	3,961

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	3,803	295
5.2	Call deposits	158	1,038
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)	3,961	1,333

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
154
-

Non-Executive Directors are no longer remunerated by means of cash for services. Payments noted above represent payments to Mr. David B. Kaysen in his capacity as Chairman, CEO and Managing Director. Ms. Melanie Leydin, Director and Co-Company Secretary, was compensated for corporate secretarial services via payments to Leydin Freyer Corp Pty Ltd.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

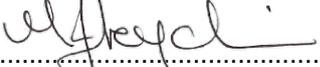
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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	891
9.2 Product manufacturing and operating costs	34
9.3 Advertising and marketing	7
9.4 Leased assets	-
9.5 Staff costs	330
9.6 Administration and corporate costs	489
9.7 Other	-
9.8 Total estimated cash outflows	1,751

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.

Sign here:  Date: 31 October 2019
(~~Director~~/Company secretary)

Print name: Melanie Leydin

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.