

ASX Announcement



Medibio Limited – 10 July 2019

Medibio Raises \$4,020,000 By Way of a Placement and Fully Underwritten SPP

Melbourne, Australia and Minneapolis, MN – 10 July 2019: Medibio Limited (ASX: MEB) ("Medibio Limited" or the "Company") is pleased to announce a strongly supported \$3.5 million capital raising and a fully underwritten share purchase plan ("SPP") for \$520,000.

HIGHLIGHTS:

- ✓ Commitments received for \$3.5 million placement at \$0.01 per fully paid ordinary share
- ✓ SPP on the same terms, underwritten for \$520,000.
- ✓ Issue price of \$0.01, a 51.6% discount to the 5-day VWAP.
- ✓ Placement to be completed over two stages (Stage 2 will be subject to shareholder approval).
- ✓ Investors under the placement and Eligible shareholders under the SPP to be 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 will seek quotation on the ASX (**New Options**).
- ✓ 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 noteholder will be offered 1 free New Option for each Share issued.
- ✓ Issue of securities under Stage 2 of the Placement, the SPP (including underwritten shortfall) and the early conversion of notes is subject to shareholder approval, to be sought at an EGM to be held in late August 2019.

Placement

The Company has received commitments to raise \$3.5 million capital raising through the issue of 350 million new fully paid ordinary shares in the Company (**New Shares**) to unrelated investors at an issue price of \$0.01 per New Share, with the offer of 1 free attaching option for each New Share issued (**New Options**) (**Placement**). Each New Option will have an exercise price of \$0.03 per New Option, entitle the holder to be issued one fully paid ordinary share on exercise of a New Option, and will be able to be exercised any time up until the expiry date of 1 December 2021. The Company will apply for quotation for both the New Shares and New Options (subject to the conditions of the ASX Listing Rules).

The Placement was lead managed by CPS Capital Group Pty Limited (**CPS**). Under the lead manager mandate, CPS (or its nominees) will be offered to subscribe for up to 90,000,000 New Options the grant of 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 subject to shareholder approval.

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The Placement will be conducted in two stages:

- Under Stage 1, the Company will issue 35 million New Shares without shareholder approval and under its existing placement capacity pursuant to ASX Listing Rule 7.1, with the issue of attaching New Options subject to shareholder approval.
- Under Stage 2, the remaining 315 million New Shares, and 350 million New Options offered will be issued subject to shareholder approval at an extraordinary general meeting of the Company expected to be held in late August 2019.

New Shares and shares issued upon exercise of New Options will rank *pari passu* with the Company's existing fully paid ordinary shares on issue.

The funds raised by the Company under the Placement will be used for its new De Novo application with the FDA, progress commercialising its ilumen™ product into different markets and finalise its revised CE mark, and to meet costs of the Placement. The additional working capital will enable the continued growth of the Company's current products alongside its future products.

Conversion of convertible notes

The Company currently has a total of 137,666,520 convertible notes on issue with a face value of \$0.02 (2 cents) per note and a maturity terms of 18 months from the date of issue (tranche 1 issued on 18 December 2018 and tranche 2 issued on 31 January 2019) (**Note**). Under their terms, Notes convert to ordinary shares at the lessor of \$0.02 and the issue price under any subsequent capital raising by the Company prior to conversion.

All Noteholders have agreed for early conversion of their Notes into fully paid ordinary shares, at a conversion price equal to the issue price under the Placement, subject to the Noteholders being issued 1 New Option for every Share issued on conversion. The early conversion is conditional upon the Company completing the Placement and shareholders approving the issue of New Options to Noteholders.

Conversion of the Notes cancels the Notes and reduces the Company's contingent liabilities by approximately \$2.75 million.

Share purchase plan

The Company will give eligible shareholders with a registered address in Australia or New Zealand (each an "**Eligible Shareholder**") an opportunity to subscribe for new fully paid ordinary shares (**SPP Shares**) in the Company by way of a share purchase plan (**SPP**). The SPP Shares will be offered at an issue price of \$0.01 per share (being the same issued price per SPP Share as the price under the Placement) and be offered with 1 free attaching New Option for every SPP Share issued. The issue of SPP Shares and attaching New Options is underwritten by CPS Capital Group Pty Ltd for \$520,000, and is subject to shareholder approval.

Under the SPP, each Eligible Shareholder who held Shares in the Company at the record date of 7.00pm (Melbourne, Australia time) on 9 July 2019 will be entitled to acquire up to \$15,000 of SPP Shares without brokerage. The SPP is capped at \$520,000, and the Company reserves the right to scale back applications at its discretion in the event applications in excess of that amount are received.

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The additional capital raised under the SPP will be used for the same purpose as funds raised under the Placement, namely, its new De Novo application with the FDA, progress commercialising its ilumen™ product into different markets and finalise its revised CE mark.

The offer of securities under the SPP will be made under a prospectus to be lodged with ASIC in accordance with the below timetable and sent to Eligible Shareholders shortly thereafter. Shareholders should consider the prospectus in deciding whether to acquire securities under the SPP, and will need to complete the application form that will accompany the prospectus.

The intended timetable for the Placement and SPP is as follows:

Record Date	9 July 2019
Complete Stage 1 of Placement	11 July 2019
Send Notice of Meeting to Shareholders	22 July 2019
Lodge prospectus with ASIC and send to Eligible Shareholders	22 July 2019
Shareholder meeting to approve, amongst other items, Stage 2 of Placement, issue of SPP securities and note conversion securities	19 August 2019
SPP offer closes	20 August 2019
Issue of Stage 1 options, Stage 2 securities, conversion securities and SPP (including underwritten shortfall) securities.	28 August 2019

The above timetable is indicative and subject to change, subject to the Listing Rules and Corporations Act.

Closing

"The Placement was strongly supported with demand from existing shareholders of the Company, as well as new investors joining the share register," said David B. Kaysen, Chairman, Managing Director & CEO. "We're also pleased to offer existing shareholders the chance to subscribe, subject to shareholder approval, for shares and be offered options on the same terms as the Placement. These funds will allow us to continue on the focused path to file our De Novo with the FDA and further commercialisation of ilumen™."

-Ends-

For more information, please contact:

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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.otcmarkets.com and www.asx.com.au.