

## First commercial pilot study with Wellness Channel Partner commences

### Highlights

- **Commercial pilot with corporate wellness partner Vital Conversations starts on schedule**
- **Pilot includes approximately 80 employees**
- **Pilot to measure usability, employee acceptance and satisfaction, delivery and ability to scale**
- **Second stress measurement in approximately 5 weeks**
- **Second Corporate Wellness Partner's Commercial Pilot also expected to start in 2-3 weeks**

Medibio Limited (**MEB** or the **Company**) is pleased to announce that its first commercial pilot study with corporate wellness partner Vital Conversations (**Vital**) has started, with the first 27 employees undertaking their initial Stress Assessment with Medibio's Corporate Stress Product overnight. The remaining pilot participants will undertake their initial Stress Assessment this week.

Vital will provide the pilot participants with a variety of Stress Management support and activities over the next five weeks. At the completion of this Stress Management program, the employees will retest using Medibio's objective Corporate Stress Product.

In addition to objectively measuring the impact of stress on the participants the pilot study aims to measure usability, employee acceptance and satisfaction, the delivery of Medibio's Corporate Stress Product in a workplace setting, and the ability to scale. The pilot will also allow collection of some traditional subjective measures for stress/mental health assessment for comparison purposes.

***"We are excited to have commenced this pilot study in conjunction with Vital Conversations as it will allow us to see our Corporate Stress Product operated by a partner for the first time and provide us with important feedback,"*** Medibio CEO Kris Knauer said.

The Corporate Client for the commercial pilot is a leading international professional services company with more than 5,000 employees in Australia. Vital has received strong interest for similar programs from a number of other potential Corporate Clients, which it anticipates converting subject to successful completion of the current commercial pilot.

Medibio anticipates a second commercial pilot of its Corporate Stress Product to start in the next 3 weeks. This pilot will include 30-50 participants in a Corporate Client's staff wellness program. It will involve an initial stress assessment and a number of follow up tests to examine the impact, and integration of, Stress Support Services. Medibio's expected revenue for this commercial pilot is in line with previous guidance of \$40-60 per staff member per test. More details will be provided at the completion of the pilot.

The pilot with Vital Conversations is being conducted using Medtronic's lightweight and easy-to-wear HXM<sup>2</sup> Smart monitors which Medibio has successfully integrated into its Digital Mental Health Platform and Corporate Stress Product App. The integration of the HXM<sup>2</sup> monitor solution is a commercial breakthrough

for Medibio’s Corporate Stress Product. The HXM<sup>2</sup> price point opens the way for participants to keep the monitor included in the test package, and rapidly scale usage at the current pricing model. This removes the need to collect, sanitize, re-package and re-use monitors, greatly simplifying the logistics chain for Medibio’s Corporate Wellness Partners.

**MEDIBIO AND VITAL CONVERSATIONS SERVICE AGREEMENT BACKGROUND**

Vital Conversations will offer Medibio’s Corporate Stress product to its existing executive and private customers and will also seek to roll Medibio’s Corporate Stress product out to corporate and public sector clients on a pilot basis. Full commercial rollout is expected to proceed upon successful completion of commercial pilots with various organisations. Under the service agreement Vital Conversations will be responsible for the acquisition of the monitors, any other hardware, and the implementation of the test to its client base. Medibio will provide data analytics and reporting and will be paid on a per test basis. Medibio will also provide training and ongoing support to Vital Conversations. As per previous guidance revenue net to Medibio is between \$40-60 per staff member per test during the commercial pilots.

**ABOUT VITAL CONVERSATIONS**

Vital Conversations is a leader in the provision of psychological services, with innovative service delivery models that are changing the way psychological wellbeing is approached. The company has a diverse client base including clients in private, public and not for profit sectors. Specialist areas include Executive Psychological Services and Preventative Mental Health. Their client base encompasses a broad range of industries, including Health, Legal, Engineering, Property, Immigration, Child Protection, Social Services, and includes consultancy contracts with some of the largest corporates in Western Australia.

**ABOUT MEDIBIO’S CORPORATE STRESS PRODUCT**

Medibio’s Corporate Stress Product comprises the first objective measure of stress, and series of corporate and employee dashboards. It has been designed to plug into our wellness partner’s interventions (or treatment programs) for stress, mental health, and other relevant and personalized initiatives. The test is based on stress specific algorithms which measure the type and degree of deviation of the subject’s circadian heart rate (CHR) from normal to accurately classify individuals into one of three categories based on the impact stress has had on their body:

- **mild:** where no immediate action needed
- **moderate:** the impact of stress is approaching unhealthy levels
- **serious:** stress has had an unhealthy impact and lifestyle changes are recommended.

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## **BACKGROUND ON STRESS AND WORKPLACE MENTAL WELLNESS**

According to the most recent surveys, excessive stress is prevalent in approximately one quarter of the population<sup>1,2</sup> with more than 70% of respondents citing the workplace and financial situation as primary causes of stress. Recent research undertaken by the Workplace Health Association Australia indicated that 65% of Australian employees reported moderate to high stress levels, and 41% had psychological distress levels considered to be at-risk<sup>3</sup>. Workplace stress alone costs Australian employers an estimated \$10.1 billion annually<sup>4</sup>. High stress levels and depression at the workplace can be linked to frequent staff turnover, poor morale and reduced work performance, resulting in higher costs for employers<sup>7</sup>.

Stress is known to be the key precipitating factor to many mental health problems including depression. Recent evidence suggests that many mental health problems are preventable<sup>5</sup>, with adverse psychosocial work environments known to be a risk factor for mental disorders<sup>6</sup>. These two points highlight the importance of workplaces working proactively to prevent and mitigate the onset of mental health problems. Therefore, work-based interventions can both reduce a known risk factor<sup>7</sup>, while enhancing individual coping skills and resilience.

Various US studies of the economic impact of stress estimate the cost of stress to US employers between US\$200 billion to US\$300 billion annually. Workplace stress is estimated to cause 19% of absenteeism which has been estimated to cost a typical major enterprise \$3.5 million annually. This impact of stress and other mental disorders is now beginning to be recognised by employers, particularly in the US, where 70% of corporates with 200 or more employees now offer Corporate Wellness programs. With an annual wellness program spend of US\$100-500 per employee the overall size of the workplace wellness market in the US is estimated at US \$8.2 billion annually<sup>8</sup>.

## **ABOUT MEDIBIO LIMITED**

Medibio (ASX: MEB), is a medical technology company that has developed an objective test to assist in the diagnosis of depression and other mental health disorders. Based on research conducted over 15 years initiated at the University of Western Australia, this test utilizes patented (pending) circadian heart rate variability and cloud based proprietary algorithms to deliver a quantifiable measure to assist in a clinical diagnosis. Studies are currently being undertaken by Johns Hopkins University School of Medicine and Ottawa University, among others, to validate the clinical utility of the test. This will potentially enable Medibio's technology to be the first FDA approved, objective, evidence based approach to the diagnosis mental health disorders for the medical industry. The technology also provides an objective method for the assessment of stress and its impact which can be translated to the workplace stress/wellbeing market, wearable technology, and App market. Located in Sydney, NSW, Medibio is listed on the Australian Stock Exchange.

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2. *The Burden of Stress in America. Harvard School of Public Health, 2014*
3. *Health Profile of Australian Employees, 2015, University of Wollongong and Workplace Health Association Australia*
4. *Medibank Private - The Cost of Workplace Stress in Australia August 2008*
5. *Tan L, Wang MJ, Modini M, Joyce S, Mykletun A, Christensen H: Harvey SB: Preventing the development of depression at work: a systematic review and meta-analysis of universal interventions in the workplace. BMC Medicine 2014, 12:74.*
6. *Mathers CD, Loncar D: Projections of global mortality and burden of disease from 2002 to 2030. PLoS Med 2006, 3:e442.*
7. *Stansfeld S, Candy B. Psychosocial work environment and mental health: a meta-analytic review. Scand J Work Environ Health. 2006, 32(6):443-462.*
8. *A Review of the U.S. Workplace Wellness Market, by Soeren Mattke, Christopher Schnyer, Kristin R. Van Busum*