

Medibio Limited

ABN 58 008 130 336

Entitlement Offer

For a non-renounceable entitlement issue of 1 Share for each Share held by Eligible Shareholders registered at the Record Date at an issue price of \$0.02 (2 cent) per Share to raise up to approximately \$4,052,565.

This offer closes at 5.00pm (AEDT) on 7 February 2019 (unless extended at the discretion of the Company).

IMPORTANT INFORMATION

This is an important document which is accompanied by an Entitlement and Acceptance Form. Both documents should be read in their entirety. This Offer Booklet is provided for information purposes only and is not a prospectus, product disclosure statement or other form of disclosure document. This Offer Document is dated 18 December 2018. This Offer Document does not contain all the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, Shares offered under this Offer Document. This Offer Document is issued pursuant to section 708AA of the Corporations Act for the offer of shares without disclosure to investors under Part 6D.2 of the Corporations Act.

If you have any questions please contact your professional adviser or Medibio on +61 3 9692 7222 (within Australia) from 8.30am to 5.30pm (AEDT) during the offer period.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS

Important Notice

This Offer Booklet is dated 18 December 2018. This Offer Booklet is not a prospectus, product disclosure statement or other form of disclosure document under the Corporations Act and has not been lodged with ASIC. The Offer Booklet is for information purposes only. The information in this Offer Booklet is not intended to be comprehensive and should be read in conjunction with the more detailed information released by Medibio under its continuous disclosure obligations.

1. Jurisdiction

This Offer Booklet, the Chairman's Letter and the Entitlement and Acceptance Form, do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. In particular, this Offer Booklet and anything contained in it does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "US Persons" (as defined in Regulation S under the US Securities Act of 1933, as amended (**the Securities Act**) (**U.S. Persons**)). None of this Offer Booklet, the Chairman's letter, nor the Entitlement and Acceptance Form may be distributed to or released in the United States. The New Shares (and Additional New Shares) offered in the Entitlement Offer have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The New Shares (and Additional New Shares) may not be offered, or sold, or resold, in the United States or to, or for the account or benefit of, any U.S. Persons, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any applicable securities laws of any state or other jurisdiction of the United States. The New Shares (and Additional New Shares) may not be deposited in any existing unrestricted American Depositary Receipt Facility or such future program with respect to the securities of Medibio Limited that has been or may be established until 40 days following the completion of the Entitlement Offer.

The Entitlement Offer to New Zealand investors is made pursuant to the New Zealand Securities Act (Overseas Companies) Exemption Notice 2013. Pursuant to this Act, the only members of the public to whom the Shares are offered in New Zealand under the Entitlement Offer are those who, at the Record Date, are holders of Shares in Medibio. As ASX does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

2. Investment decisions

The information contained in this Offer Booklet is not intended to be relied on as advice. Before deciding to invest in Medibio, potential investors should read the entire Offer Booklet and in particular the technical information and risk factors that could affect the future operations and activities of Medibio and consult their professional advisers. The Entitlement Offer contained in this Offer Booklet does not take into account the investment objectives, financial situation and particular needs of any investor.

3. Risk factors

Potential investors should be aware that subscribing for Shares in Medibio involves a number of risks. The key risk factors of which investors should be aware are set out in sections 3.25 and 3.26 of this Offer Booklet. Investors should carefully consider the risk factors that affect Medibio specifically and the health technology and mental health services industries in which it operates.

4. Forward looking information

Forward looking statements, opinion, estimates provided in this Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on the interpretations of current market conditions.

Forward looking statement including forecasts, projections, guidance on future revenues, earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements only speak as to the date of this Offer Booklet and Medibio Limited assumes no obligation to update such information. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Medibio Limited and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Offer Booklet.

You should also refer to sections 3.25 and 3.26 of this Offer Booklet for a list of the key risks.

Summary of the Entitlement Offer

| | |
|-------------------------|---|
| Issue Price | \$0.02 |
| Your entitlement | 1 New Share for every 1 Share held on the Record Date |

Key Dates (2018)*

| | |
|---|------------------------------------|
| Record Date for the Entitlement Offer | 7:00 pm (AEDT) on 13 December 2018 |
| Offer Booklet is dispatched | 18 December 2018 |
| Entitlement Offer opens | 18 December 2018 |
| Entitlement Offer closes | 5:00 pm (AEDT) on 7 February 2019 |
| Issue of New Shares under the Entitlement Offer | 14 February 2019 |
| Dispatch of holding statements | 14 February 2019 |
| Normal trading of New Shares issued under the Entitlement Offer expected to commence on ASX | 15 February 2019 |

*Dates and times are indicative only and subject to change. All times refer to Australian Eastern Daylight Savings Time (AEDT).

Medibio Limited reserves the right to vary these dates without prior notice subject to the Corporations Act, ASX Listing Rules and other applicable laws, including extending the Entitlement Offer or accepting late Applications, either generally or in particular cases, without notice. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the New Shares. Commencement of quotation of New Shares is subject to approval by ASX.

Enquiries

For any enquiries please call Medibio on +61 3 9692 7222 or contact your stockbroker, accountant or other professional adviser.

Chairman's Letter

18 December 2018

Dear Shareholder

On behalf of Medibio Limited ("**Medibio**" or "**Company**"), I am pleased to invite you to participate in the recently announced 1 for 1 non-renounceable entitlement offer for new fully paid ordinary shares in Medibio (**New Shares**) at an issue price of \$0.02 per New Share (**Entitlement Offer**).

On 10 December 2018, Medibio announced its intention to raise approximately:

- (a) \$4.05 million through an Entitlement Offer; and
- (b) approximately an additional \$2.5 million under a private placement of convertible notes to sophisticated and professional investors for which Medibio has sought commitments. This figure was updated to approximately \$2.75 million in the announcement on 14 December 2018 (**Convertible Note Offer**).

(The Entitlement Offer and the Convertible Note Offer comprise the "**Capital Raising**").

The net proceeds of the Capital Raising is intended to be used by Medibio in the following manner:

- i. to advance its 510(k) regulatory approval;
- ii. to progress its De Novo submission;
- iii. for technology development;
- iv. for product commercialisation; and
- v. for working capital requirements.

This information booklet (**Offer Booklet**) relates to the Entitlement Offer (**Entitlement Offer**). For information on the terms of the Convertible Note Offer, please see Medibio's announcement dated 14 December 2018 (being the cleansing notice for the issue of the first tranche of Convertible Notes under the Convertible Note Offer).

I am pleased to invite you to participate in the Entitlement Offer.

Under the Entitlement Offer, eligible shareholders have the opportunity to invest at the price of \$0.02 per New Share, which is the same price as the professional and sophisticated investors who participated in the Convertible Notes Offer (**Entitlement**). Your Entitlement is set out in your personalised Entitlement and Acceptance Form that is enclosed with this Offer Booklet.

If you take up your Entitlement in full, you can also apply for additional shares under a "Shortfall Facility" (refer to section 1 of this Offer Booklet for more information). I encourage you to read the Offer Booklet carefully before deciding whether or not to participate in the Entitlement Offer.

Please note that to participate in the Entitlement Offer you must apply and pay for your New Shares before 5pm (AEDT) on 7 February 2019. Further information about how to apply for New Shares is set out in Section 2.

The Issue Price of \$0.02 represents a discount of 50% to the closing price of Medibio shares on 6 December 2018 (being the last trading day before the Entitlement Offer was announced).

The Entitlement Offer is non-renounceable and therefore is personal to you. It cannot be traded, transferred, assigned or otherwise dealt with. If you do not take up your Entitlement, it will lapse and you will not receive any New Shares, nor any other benefit, under the Entitlement Offer.

Eligible Shareholders who take up their full Entitlement may also apply for Additional New Shares under the Shortfall Facility. Further information about how to apply for Additional New Shares is set out in Section 2.

The Entitlement Offer closes at 5:00 pm AEDT on 7 February 2019.

If you have any questions about the Entitlement Offer please call Medibio on +61 3 9692 7222 from 8.30am to 5pm (AEDT) Monday to Friday during the Entitlement Offer Period.

Other Information

This Offer Booklet contains important information, including:

- instructions on how to apply, detailing how to participate in the Entitlement Offer if you choose to do so, and a timetable of key dates; and
- instructions on how to take up all or part of your Entitlement.

A personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions contained therein, accompanies this Offer Booklet.

You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

On behalf of the Board of Medibio, I encourage you to consider this investment opportunity and thank you for your continued support.

Yours sincerely



Chris Indermaur

Chairman

1. THE ENTITLEMENT OFFER

Medibio (ASX Code: MEB) proposes to raise up to approximately \$4.05 million under the Entitlement Offer through the issue of up to 202,628,271 New Shares.

Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of New Shares.

Eligible Shareholders (as defined in Section 3 below) are being offered the opportunity to subscribe for 1 New Share for every 1 Existing Share in Medibio (**Existing Shares**) held at 7.00pm (AEDT) on 13 December 2018 (**Entitlement**), at the issue price of \$0.02 per New Share.

Eligible Shareholders may also apply for New Shares in excess of their Entitlement (**Additional New Shares**). Please note that New Shares in excess of Entitlements will only be allocated to Eligible Shareholders if, and to the extent that Medibio determines in its absolute discretion but subject to its shortfall allocation policy and having regard to the circumstances as at the time of the close of the Entitlement Offer. The shortfall allocation policy is described in more detail on the next page.

Any New Shares in excess of Entitlements will be limited to the extent that there are sufficient New Shares due to Eligible Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Entitlement Offer. Medibio may apply any scale-back (in its absolute discretion).

The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow rights issues to be offered without a prospectus. As a result, it is important for Eligible Shareholders to read and understand the information on Medibio and the Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement or applying for Additional New Shares. In particular, please refer to this Entitlement Offer Booklet, Medibio's other periodic and continuous disclosure announcements to the ASX available at www.asx.com.au.

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 1 Existing Share you held as at the Record Date of 7.00pm (AEDT) on 13 December 2018 rounded up to the nearest whole New Share. If you have more than one holding of Existing Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. New Shares issued pursuant to the Entitlement Offer will be fully paid and rank equally with existing Medibio ordinary shares on issue.

Your Entitlement is non-renounceable. This means that your Entitlements are personal and cannot be traded, transferred, assigned or otherwise dealt with, whether on the ASX or privately. If you do not take up your Entitlement, it will lapse and you will not receive any New Shares under the Entitlement Offer. New Shares of an equivalent number to your Entitlement not taken up under the Entitlement Offer will be offered for subscription under Shortfall Facility. If you choose not to accept your entitlement under the Entitlement Offer, your shareholding in Medibio will be diluted.

Note: The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Existing Shares on behalf of a U.S. Person.

Shortfall Facility

The Shortfall Facility allows Eligible Shareholders who have subscribed for their Entitlements under the Entitlement Offer to subscribe for Additional New Shares.

If Eligible Shareholders seek to subscribe for more Additional New Shares than are available under the Shortfall Facility, Medibio will apply a scale-back procedure to ensure a fair allocation of the Additional New Shares.

Ineligible Shareholders

In determining eligibility, pursuant to Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act, Medibio has regard to the legal and regulatory requirements of making offers of securities in certain countries, the number of shareholders in those countries and the number of shares they hold, the value of New Shares to which those shareholders would otherwise be entitled to and the cost of complying with the legal and regulatory requirement in those countries.

Medibio has determined, pursuant to Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act 2001(Cth), that it would be unreasonable to make offers under the Entitlement Offer to all shareholders with addresses outside of Australia, New Zealand and Hong Kong (**Ineligible Shareholders**) having regard to Medibio's current shareholding and the costs of complying with legal and regulatory requirements in those jurisdictions.

Accordingly, the Entitlement Offer is not being extended to Ineligible Shareholders. Any entitlements to such shares will lapse and the relevant shares will form part of the additional shares and shortfall under the Entitlement Offer.

Nominees

The Entitlement Offer is being made to all shareholders on the register of Medibio at 7:00pm (AEDT) on 13 December 2018 with an address in Australia, New Zealand or Hong Kong, and that are not in the United States and are neither a U.S. Person nor acting for the account or benefit of a U.S. Person. Medibio is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Existing Shares.

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia and New Zealand except, with the consent of Medibio, to beneficial shareholders resident in certain other countries where Medibio may determine it is lawful and practical to make the Entitlement Offer.

Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. Any person in the United States or any person that is or is acting for the account or benefit of a U.S. Person with a holding through a nominee may not participate in the Entitlement Offer and the nominee must not take up any Entitlement or send any materials into the United States or to any person it knows to be a U.S. Person. Medibio is not able to advise on foreign laws.

2. HOW TO APPLY

If you wish to take up all or part of your Entitlement, or you wish to apply for Additional New Shares, you can do either of the following:

Payment by BPAY®

If you wish to pay by BPAY®, please follow the instructions on your personalised Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that should you choose to pay by BPAY®:

- You do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- If you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your application monies; and
- If you do pay for more than your full Entitlement, you are deemed to have applied for as many Additional New Shares as your excess amount will pay for in full (subject to any scale-back determined by Medibio in its absolute discretion).

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5.00pm (AEDT) on 7 February 2019. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

If you are paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number on the back of your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that form. If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have applied only for New Shares (and Additional New Shares) on the Entitlement to which that Customer Reference Number applies. Please note that a limit may apply on the amount that can be transferred via BPAY®. It is your responsibility to check that the amount you wish to pay via BPAY® will not exceed that limit.

If you have multiple holdings, you will have multiple BPAY® customer reference numbers provided on each of your personalised Entitlement and Acceptance Forms. To ensure you successfully take up your Entitlement in respect of each holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying any New Shares that you wish to apply for in respect of those holdings.

Payment by cheque, bank draft or money order

If you wish to pay by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the Form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the application monies, payable to "Medibio Limited" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- for an amount equal to \$0.02 multiplied by the number of New Shares (and if applicable, Additional New Shares) that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

Cash payments will not be accepted. Receipts for payment will not be issued.

Shareholders who make payment via cheque, bank draft or money order should mail their completed personalised Entitlement and Acceptance Form together with application monies using the reply paid or self-addressed envelope provided with this Booklet to:

Computershare Investor Services Pty Limited

GPO Box 505, Melbourne VIC 3001

You should ensure that sufficient funds are held in relevant account(s) to cover the application monies. If the amount of your cheque for application monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares (and if applicable, Additional New Shares) you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares (and if applicable, Additional New Shares) as your cleared application monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

Medibio may at its discretion accept Applications after the Closing Date. If Medibio elects not to accept Applications after the Closing Date, no New Shares will be issued to you (and your Application Monies will be refunded as soon as practicable without interest) if your Application is not received by that date.

If you have more than one holding of Existing Shares, you will be sent more than one personalised Entitlement and Acceptance Form and will have separate Entitlements for each separate holding. A separate Entitlement and Acceptance Form and payment of application monies must be completed for each separate Entitlement you hold. If the amount of application monies received is insufficient to pay in full for the number of New Shares you applied for, Medibio will treat you as having applied for such lower whole number of New Shares as is covered by your full application monies received or, alternatively, your application will be rejected. Any application monies received in excess of your final allocation and greater than the cost of one New Share will be refunded (without interest).

New Zealand holders

Eligible Shareholders who are resident in New Zealand and are unable to pay in accordance with the processes set out above by the Closing Date) should contact Medibio on +61 3 9692 7222 to make alternative arrangements.

Representations, allotment and refunds

If you take no action, you will not be allocated New Shares and your Entitlement will lapse. Your Entitlement to participate in the Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

By completing and returning your personalised Entitlement and Acceptance Form with application monies or making a payment by BPAY®, you will be deemed to have:

- (a) made the Eligible Shareholder declarations set out in section 4 of this Offer Booklet; and
- (b) represented that you are an Eligible Shareholder as defined in Section 3.2 below.

If you take up and pay for all or part of your Entitlement before the close of the Entitlement Offer at 5.00pm (AEDT) on 7 February 2019, you will be allotted your New Shares on 14 February 2019. If you apply for Additional New Shares then, subject to Medibio's absolute discretion to scale-back your application for Additional New Shares (in whole or part), you will be issued these on 14 February 2019.

Medibio's decision on the number of Additional New Shares to be allocated to you will be final. Medibio also reserves the right (in its absolute discretion) to reduce the number of New Shares (and if applicable, Additional New Shares) allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims. Medibio also reserves the right to place the Additional New Shares at its discretion.

Cash payments will not be accepted. Receipts for payment will not be issued.

Any application monies received for more than your final allocation of New Shares and Additional New Shares that are greater than the cost of one New Share will be refunded to you as soon as practicable. No interest will be paid to applicants on any application monies received or refunded.

Applicants with queries on how to complete the Entitlement and Acceptance Form should contact Medibio on +61 3 9692 7222.

3. IMPORTANT INFORMATION

This Offer Booklet and accompanying personalised Entitlement and Acceptance Form have been prepared by Medibio. The information in this Offer Booklet is dated 18 December 2018.

This Offer Booklet should be read in conjunction with Medibio's other periodic and continuous disclosure announcements to the ASX available at www.asx.com.au.

No party other than Medibio has authorised or caused the issue of the information in this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Offer Booklet.

This information is important and requires your immediate attention.

You should read the information in this Offer Booklet carefully and in its entirety before deciding whether to invest in New Shares (and Additional New Shares). In particular, you should consider the risk factors outlined in sections 3.25 and 3.26 of the Offer Booklet, any of which could affect the operating and financial performance of Medibio or the value of an investment in Medibio.

You should consult your stockbroker, accountant, solicitor or other independent professional adviser to evaluate whether or not to participate in the Entitlement Offer.

3.1 This document is not a prospectus

This Offer Booklet and the Entitlement and Acceptance Form are important documents and require your immediate attention. You should read these documents carefully before deciding whether or not to participate in the Entitlement Offer.

This Offer Booklet is issued pursuant to section 708AA of the Corporations Act without disclosure to investors under Part 6D.2 of the Corporations Act.

Accordingly, neither this Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged with ASIC and no prospectus for the offer will be prepared. In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Booklet is significantly less than the level of disclosure required in, and what you would ordinarily expect in, a prospectus.

In accordance with the conditions imposed on Medibio by section 708AA of the Corporations Act, Medibio provided ASX with a notice that complied with the requirements of section 708AA(7) on 10 December 2018. The notice was required to:

- (a) set out information that had been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and that Investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) assets and liabilities, financial position and performance, profits and losses and prospects of Medibio; or
 - (ii) the rights and liabilities attaching to the Shares offered under this Offer Booklet; and
- (b) state the potential effect of the issue of Shares under the Entitlement Offer on the control of Medibio and the consequences of that effect.

3.2 Eligible Shareholders

The Entitlement Offer in this Offer Booklet contains an offer of New Shares to Eligible Shareholders in Australia, New Zealand or Hong Kong and has been prepared in accordance with section 708AA of the Corporations Act.

Eligible Shareholders are those holders of Existing Shares who:

- (a) are registered as holders of Existing Shares as at 7:00pm (AEDT) on 13 December 2018;
- (b) have a registered address on the Medibio share register in Australia, New Zealand or Hong Kong;
- (c) are not in the United States and are not “U.S. persons” (as defined under Regulation S under the United States Securities Act of 1933, as amended) (**U.S. Persons**) or acting for the account or benefit of U.S. Persons; and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

(Eligible Shareholders).

Shareholders who do not satisfy this the above criteria are ineligible shareholders (**Ineligible Shareholders**).

3.3 Ineligible Shareholders

Medibio has decided that it is unreasonable to make offers under the Entitlement Offer to holders of Existing Shares who have registered addresses outside Australia, New Zealand and Hong Kong, having regard to the number of such holders in those places, the number and value of the New Shares which they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places. The Entitlement Offer is not being made in the United States or to, or for the account or benefit of, U.S. Persons.

3.4 Effect of the Entitlement Offer

If all Entitlements are accepted by Shareholders to the full extent, then the Entitlement Offer will not result in any change to the control of Medibio (other than to the Ineligible Shareholders

whose holdings will be diluted). If all Entitlements under the Entitlement Offer are not accepted to the full extent, then the shareholding interest of non-participating shareholders will be diluted.

The effect of the Entitlement Offer on the capital structure of Medibio, assuming all Shares offered under the Offer Booklet are issued, is set out below.

| Fully Paid Shares | Number |
|--|--------------------|
| Ordinary fully paid shares on issue as at date of Offer Booklet | 202,628,271 |
| Ordinary fully paid shares offered pursuant to the Entitlement Offer | 202,628,271 |
| Total Shares on issue after completion of the Entitlement Offer | 405,256,542 |

| Partly Paid Shares | Number |
|---|------------------|
| Partly Paid Shares on issue as at date of the Offer Booklet | 4,650,000 |

| Options | Number |
|---|-------------------|
| Unlisted options on issue as at date of the Offer Booklet | 33,012,113 |

| Convertible Notes* | Number |
|---|--------------------|
| Unlisted Convertible Notes on issue as at date of the Offer Booklet | 30,394,240 |
| Unlisted Convertible Notes on issue as at date of the Close of the Entitlement Offer (assuming member approval is granted at a general meeting) | 137,666,520 |

*Please refer to Medibio's ASX announcements for more information on the issue of Convertible Notes.

3.5 Effect on control of Medibio

Shareholders should note that if they do not participate in the Offer, and the Offer and any Shortfall is fully subscribed, their holdings could be diluted by up to approximately 50.00%.

Examples of how the dilution may impact Shareholders are set out in the table below:

| Holder | Holding as at Record date | % at Record Date | Entitlements under the Offer | Holdings if Offer not taken up | % post Offer |
|---------------|----------------------------------|-------------------------|-------------------------------------|---------------------------------------|---------------------|
| Shareholder 1 | 20,000,000 | 9.87% | 20,000,000 | 20,000,000 | 4.39% |
| Shareholder 2 | 10,000,000 | 4.94% | 10,000,000 | 10,000,000 | 2.2% |
| Shareholder 3 | 5,000,000 | 2.47% | 5,000,000 | 5,000,000 | 1.1% |

Notes:

1. The table assumes that the Entitlement Offer, and any Shortfall, is fully subscribed (other than by the participation of the relevant Shareholder).
2. The table assumes that Medibio's existing unlisted options, referred to in section 3.4, are not exercised.

- The table does not take into consideration any conversion of Convertible Notes given the earliest conversion date for the Convertible Notes is 31 March 2019 (being after indicative date of the issue of Shares under the Entitlement Offer).

3.6 Details of substantial holders

Based on publicly available information as at the close of trading on 10 December 2018, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

| Substantial holders of relevant interest | Total number of votes attached to all voting shares that the substantial holder has a relevant interest in | Voting power as at the date of this Offer Document (%) | Rights under offer | Votes if all Entitlements are accepted | % Voting power after Rights Issue if all Entitlements taken |
|--|--|--|--------------------|--|---|
| FIL Investment Mgt | 18,383,732 | 9.07% | 18,383,732 | 36,767,464 | 16.64% |
| Regal Funds Mgt | 13,800,077 | 6.81% | 13,800,077 | 27,600,154 | 12.75% |
| Mr Claude Solitario | 10,697,000 | 5.28% | 10,697,000 | 21,394,000 | 10.03% |

Notes:

- The table assumes that the Entitlement Offer is fully subscribed by the relevant Substantial holder, and no other person participates in the Entitlement Offer.
- The table assumes that the relevant Substantial holder does not participate in the Shortfall.
- The table assumes that Medibio's existing unlisted options, referred to in section 3.4, are not exercised.
- The table does not take into consideration any conversion of Convertible Notes held by Regal Funds Management or Mr Claude Solitario (or any of their associates) given the earliest conversion date for the Convertible Notes is 31 March 2019 (being after indicative date of the issue of Shares under the Entitlement Offer).

3.7 Implications of Chapter 6 of the Corporations Act

Shareholders may be prevented from acquiring Shares under the Entitlement Offer where to do so would contravene the takeovers prohibition in section 606 of the Corporations Act. Section 606 prohibits a person from acquiring a "relevant interest" (as defined in the Corporations Act) in issued voting shares in a listed company if, because of the transaction, that person's or someone else's voting power in the listed company increases from 20% or below to more than 20% or from a starting point that is above 20% and below 90%, unless an exception applies. There are various exceptions to the general prohibition. However, there is no guarantee that an exception would be available in the relevant circumstances and, even if an exception was potentially available, there is a risk that the exception could not be relied upon without significant cost or delay.

3.8 Allocation policy and scale-back

If there are excess oversubscription applications, Medibio reserves the right to scale back applications for Additional New Shares on an equitable basis at its discretion and will administer this scale back process in compliance with the takeover provisions in Chapter 6 of the Corporations Act.

In the event of a scale-back, the difference between the application monies received, and the number of Additional New Shares allocated to you multiplied by the offer price of \$0.02 will be refunded following allotment. No interest will be paid on any application monies received and returned.

3.9 Continuous disclosure

Medibio is a disclosing entity for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations including an obligation under the ASX Listing Rules (subject to certain exceptions) to disclose to ASX any information of which it is or becomes aware concerning Medibio and which a reasonable person would expect to have a material effect on the price or the value of shares. All such disclosures are available at www.asx.com.au.

This Offer Booklet is issued pursuant to section 708AA of the Corporations Act without disclosure to investors under Part 6D.2 of the Corporations Act. This Offer Booklet is intended to be read in conjunction with the publicly available information in relation to Medibio which has been notified to ASX and does not include all of the information that would be included in a prospectus or other disclosure document that is required to satisfy the Corporations Act. Shareholders should therefore have regard to the other publicly available information in relation to Medibio before making a decision whether or not to invest.

You have the opportunity to access any information about Medibio which has previously been disclosed to ASX. In particular, please refer to Medibio's Annual Report for the year ended 30 June 2018. You should also have regard to any further announcements which may be made by Medibio to ASX after the date of this Offer Booklet.

3.10 No Entitlements trading

Entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable.

3.11 Notice to nominees and custodians

Nominees and custodians which hold Shares as nominees or custodians will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter.

Medibio is not required to determine whether or not any registered holder of Existing Shares is acting as nominee or the identity or residence of any beneficial owner of Shares. Where any registered holder of Existing Shares is acting as a nominee of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether the indirect participation in the Entitlement Offer is compatible with applicable foreign laws.

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia and New Zealand except, with the consent of Medibio, to beneficial shareholders resident in certain other countries where Medibio may determine it is lawful and practical to make the Entitlement Offer.

Medibio is not able to advise on any foreign laws. However any person in the United States or any person that is, or is acting for the account or benefit of, a U.S. Person with a holding through a nominee may not participate in the Entitlement Offer, and such a nominee must not take up any Entitlement on behalf of such a person or send any material relating to the Entitlement Offer into the United States or to any person that is, or is acting for the account or benefit of, a U.S. Person.

3.12 Withdrawal

Medibio reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares under the Entitlement Offer, in which case Medibio will refund any Application Monies received.

3.13 Taxation

You should be aware that there may be taxation implications associated with participating in the Entitlement Offer and receiving New Shares (and Additional New Shares).

Medibio does not consider it appropriate to give shareholders advice regarding the taxation consequences of subscribing for New Shares (and Additional New Shares) under the Entitlement Offer. Medibio, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares (and Additional New Shares) under this Offer Booklet.

3.14 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

3.15 Ranking of New Shares (and Additional New Shares)

The New Shares (and Additional New Shares) will be issued on a fully paid basis and will rank equally in all respects with Existing Shares. The rights and liabilities attaching to the New Shares (and Additional New Shares) are set out in Medibio's constitution, a copy of which is available at www.asx.com.au.

3.16 Quotation and trading

Medibio will apply to ASX for the official quotation of the New Shares in accordance with the Listing Rules. Subject to approval being granted, it is expected that New Shares allotted under the Entitlement Offer will be quoted on ASX from 15 February 2019.

3.17 Future performance and forward-looking statements

Neither Medibio nor any other person warrants or guarantees the future performance of the New Shares (and Additional New Shares) or any return on any investment made pursuant to the Entitlement Offer. This Offer Booklet contains certain "forward-looking statements". Forward-looking words such as, "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements including forecasts, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements only speak as to the date of this Offer Booklet and Medibio assumes no obligation to update such information. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Medibio and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Offer Booklet.

3.18 Past performance

Investors should note that the past share price performance of Medibio's shares provides no guidance as to future share price performance. For further information, please see past announcements released to the ASX.

3.19 No cooling off rights

Cooling off rights do not apply to an investment in New Shares (and Additional New Shares). You cannot withdraw your application once it has been accepted.

3.20 Not investment or financial product advice

This booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Medibio is not licensed to provide financial product advice in respect of the New Shares (and Additional New Shares). The Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares (and Additional New Shares).

Before deciding whether to apply for New Shares (and Additional New Shares), you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant, solicitor or other independent professional adviser.

3.21 Governing law

This Information, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares (and Additional New Shares) submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

3.22 Optionholders

Existing optionholders will not be entitled to participate in the Entitlement Offer unless they:

- (a) have become entitled to exercise their existing options under the terms of their issue and do so, so that they are registered as holders of shares prior to 7.00pm (AEDT) on 13 December 2018; and
- (b) participate in the Entitlement Offer as a result of being a holder of Existing Shares registered on the register of Medibio at 7.00pm (AEDT) on 13 December 2018.

3.23 Foreign jurisdictions

This Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia.

The New Shares (and Additional New Shares) under the Entitlement Offer are not being offered or sold to the public other than to existing shareholders with registered addresses in Australia, New Zealand and Hong Kong.

The Entitlement Offer to New Zealand investors is made pursuant to the New Zealand Securities Act (Overseas Companies) Exemption Notice 2013. Pursuant to this Act, the only members of the public to whom the Shares are offered in New Zealand under the Entitlement Offer are those who, at the Record Date, are holders of Shares in Medibio.

This Offer Booklet has not been registered, filed or approved by any regulatory authority in countries outside Australia. This Offer Booklet is not an investment statement or prospectus under laws outside of Australia and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand, Hong Kong, US, Canada, European Union, Singapore or United Kingdom law is required to contain.

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares (and Additional New Shares), or otherwise permit the public offering of the New Shares (and Additional New Shares), in any jurisdiction other than Australia and New Zealand.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Information, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

WARNING

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

The Entitlements and the New Shares (and Additional New Shares) have not been, nor will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States, persons who are U.S. persons, or persons who are acting for the account or benefit of a U.S. Person, and the New Shares (and Additional New Shares) may not be offered, sold or resold in the United States or for the account or benefit of, a U.S. Person, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

3.24 Disclaimers

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by Medibio, or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of Medibio, or any other person, warrants or guarantees the future performance of Medibio or any return on any investment made pursuant to this Offer Booklet.

This Offer Booklet is issued by, and is the sole responsibility of, Medibio.

None of the parties referred to in the Corporate Directory of this Offer Booklet (other than Medibio) has:

- (a) authorised or caused the issue of this Offer Booklet;
- (b) made or authorised the making of any statement that is included in this Offer Booklet or any statement on which a statement in this Offer Booklet is based.

To the maximum extent permitted by law, each of the persons referred to in the Corporate Directory of this Offer Booklet (other than Medibio) expressly disclaims and takes no responsibility for any statements in or omissions from this Offer Booklet.

The information contained in this Offer Booklet is of general nature and has been prepared by Medibio in good faith and with due care but no representation or warranty, express or implied, is provided in relation to the accuracy or completeness of the information. No person is authorised

to give any information or make any representation in connection with the Entitlement Offer which is not contained in this Offer Booklet. Any information or representation not so contained may not be relied upon as being authorised by Medibio or any person associated with it in connection with the Entitlement Offer.

3.25 Specific Investment Risks

This section and section 3.26 details important factors and risks that could affect the financial and operating performance of Medibio. You should consider these risk factors carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Entitlement Offer.

(a) Competition regulation and loss of reputation

The health industry is intensely competitive and subject to rapid and significant change. A number of companies, both in Australia and abroad, may be pursuing the development of products that target the same markets that the company is targeting. Medibio's products may compete with existing products that are already available to customers. In addition, a number of companies, both in Australia and abroad, may be pursuing the development of products that target the same customers that Medibio is targeting. Medibio may face competition from parties who have substantially greater resources.

(b) Regulatory approvals

The research, development, manufacture, marketing and sale of products using Medibio's technology are subject to varying degrees of regulation by a number of government authorities in Australia and overseas. Specifically, the Company submitted a De Novo application to the U.S. Food and Drug Administration (**FDA**) for its Clinical Decision Support System in July 2018 in which it is awaiting clearance from the FDA in parallel with its FDA Pre-market submission process known as the 510k clearance as announced on 9 November 2018.

(c) Commercialisation of products and potential market failure

Medibio has not yet commercialised its technology and as yet has no material revenues.

Medibio is also dependent on commercially attractive markets remaining available to it during the commercialisation phase and there is a risk that, once developed and ready for sale, commercial sales, to fund sufficient revenues for continued operations and growth, may not be achieved.

(d) Dependence upon key personnel

Medibio depends on the talent and experience of its personnel as its primary asset. There may be a negative impact on Medibio if any of its key personnel leave. It may be difficult to replace them, or to do so in a timely manner or at comparable expense. Additionally, any key personnel of Medibio who leave to work for a competitor may adversely impact Medibio.

In summary, Medibio's ability to attract and retain personnel will have a direct impact on its ability to deliver its commercialisation and commitments. Additionally, increases in recruitment, wages and contractor costs may adversely impact upon the financial performance of Medibio.

(e) Requirement to raise additional funds

Medibio may be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise that capital when it is required or, even if

available, the terms may be unsatisfactory. If Medibio is unsuccessful in obtaining funds when they are required, Medibio may need to delay or scale down its operations.

(f) Partly paid shares

Medibio currently has 4,650,000 partly paid shares on issue of which \$0.01 (1 cent) is paid and \$0.29 (29 cents) remains to be paid. Given the share price as at the last trading date prior to the announcement of the Entitlement Offer was \$0.04 (4 cents), Medibio is exposed to the commercial risk that it may be unable to collect the amount yet to be paid on all or some of the outstanding shares given the current deficit in the share price and the likely substantial costs of enforcement.

(g) Research & Development Grant (Commonwealth)

Medibio is eligible each year for an R&D Tax Incentive refund. The R&D Tax Incentive is an Australian Government program under which companies receive cash refunds for 43.5% of eligible expenditure on research and development. There is no guarantee that this program will continue or that the eligibility criteria will not change. Refunds are subject to audit by the Australian Tax Office and AusIndustry which may result in a requirement for repayment in certain circumstances.

(h) Growth

There is a risk that Medibio may be unable to manage its future growth successfully. The ability to hire and retain skilled personnel as outlined above may be a significant obstacle to growth.

(i) Intellectual Property

Medibio's ability to leverage its innovation and expertise depends upon its ability to protect its intellectual property and any improvements to it. The intellectual property may not be capable of being legally protected, it may be the subject of unauthorised disclosure or be unlawfully infringed, or Medibio may incur substantial costs in asserting or defending its intellectual property rights.

(j) Risk of delay and continuity of operations

Medibio may experience delays in achieving some or all of its milestones, including but not limited to product development, obtaining regulatory approvals, or delays in sales of licensing. The company is also dependent on amongst other things its technology, key personnel and IT systems. Any disruption or delay to any key inputs could impact adversely on Medibio.

(k) Liability claims

Medibio may be exposed to liability claims if its services are provided in fault and/or cause harm to its customers. As a result, Medibio may have to expend significant financial and managerial resources to defend such claims. If a successful claim is made against Medibio, it may be fined or sanctioned and its reputation and brand may be negatively impacted, which could adversely affect its business prospects, financial condition and results of operation.

Medibio may be exposed to claims from employees who have left the company or may leave it in future for unfair dismissal.

3.26 General Investment Risks

(a) General economic climate

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, and stock market prices. Medibio's future revenues and Securities price may be affected by these factors, which are beyond Medibio's control.

(b) Changes in legislation and government regulation

Government legislation in Australia or any other relevant jurisdiction, including changes to the taxation system, may affect future earnings and relative attractiveness of investing in Medibio. Changes in government policy or statutory changes may affect Medibio and the attractiveness of an investment in it.

(c) Global credit and investment market

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of Medibio and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which Medibio's Shares trade regardless of operating performance and affect Medibio's ability to raise additional equity and/or debt to achieve its objectives, if required.

(d) Exchange rate risk

If the Australian dollar falls in relation to the exchange rate where the product or service is sourced from, then since Medibio's financial statements are prepared in Australian dollars, this may impact its performance and position.

(e) Unforeseen risk

There may be other risks which the Directors are unaware of at the time of issuing this offer booklet which may impact on Medibio, its operations and/or the valuation and performance of Medibio's Shares.

(f) Combination of risks

Medibio may not be subject to a single risk. A combination of risks, including any of the risks outlines in this Section could affect the performance valuation, financial performance and prospects of Medibio.

(g) Unforeseen expenditure risk

Expenditure may need to be incurred that has not been taken into account in the preparation of this offer booklet. Although Medibio is not aware of any additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of Medibio.

(h) Share market conditions

The market price of Medibio's Securities may be subject to varied and unpredictable influences on the market for equities.

3.27 Privacy

If you complete an Entitlement and Acceptance Form and apply for New Shares (and Additional New Shares), you will be providing personal information to Medibio, its agents, contractors and third party services providers. Medibio, its agents, contractors and third party service providers will collect, hold, and use that information to assess your Application, carry out the administration of your Shareholding, service your needs as a Shareholder of Medibio and facilitate corporate communications.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, print service providers, mail houses and the Share Registry.

Failure to provide the required personal information may mean that your Application is not able to be processed efficiently, if at all. You may request access to your personal information held by or on behalf of Medibio and by the Share Registry. You may also request the correction of your personal information by contacting Medibio or the Share Registry by emailing privacy@computershare.com.au, or by using the details in the Corporate Directory at the back of this Offer Booklet.

GLOSSARY

In this Offer Booklet, the following terms have the following meanings unless the context required otherwise:

\$ or A\$ or dollars means Australian dollars;

Medibio or the **Company** means Medibio Limited;

Additional New Shares means New Shares not subscribed for under the Entitlement Offer and offered to Eligible Shareholders under the Shortfall Facility;

AEDT means Australian Eastern Daylight Time;

Applicant means a person who has delivered an Application;

Application means an application to subscribe for New Shares under the Entitlement Offer by completing the Entitlement and Acceptance Form and returning it together with the application monies;

ASIC means Australian Securities and Investments Commission;

ASX means ASX Limited (ABN 98 008 624 691) or the financial products market operated by that entity known as the Australian Securities Exchange;

ASX Announcement means the announcement released to ASX on 10 December 2018 in connection with the Entitlement Offer;

Business Day means a day that is not a Saturday, Sunday or a public holiday in Melbourne, Australia;

Closing Date means the last date for Eligible Shareholders to lodge an Application, being 5pm (AEDT) on 7 February 2019 (subject to change);

Corporations Act means *Corporations Act 2001* (Cth);

Directors means the directors of Medibio;

Eligible Shareholder has the meaning given to that term in Section 3.2 of this Offer Booklet;

Entitlement means the entitlement of an Eligible Shareholder to subscribe for 1 New Share for every 1 Existing Share held at the Record Date;

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Booklet upon which an Application can be made;

Entitlement Offer means the pro rata non-renounceable offer to Eligible Shareholders to subscribe for their Entitlement;

Entitlement Shares means the New Shares to be offered, or allotted and issued to Shareholders, at the Issue Price under the Entitlement Offer;

Existing Share means a Share on issue immediately before the Record Date;

GST means Australian Goods and Services Tax (currently 10%);

Group means Medibio and each Subsidiary of Medibio (and Group Member means any one or more of them).

Ineligible Shareholder means a Shareholder that is not an Eligible Shareholder;

Issue Price means \$0.02 per New Share;

Listing Rules means the official listing rules of ASX, as amended or replaced from time to time and as waived in respect of Medibio by ASX;

New Shares means the Shares offered under the Entitlement Offer;

Offer Booklet means this booklet dated 18 December 2018;

Record Date means the time and date for determining which Shareholders are entitled to an Entitlement under the Entitlement Offer, being 7pm (AEDT) on 13 December 2018;

Section means a section of this Offer Booklet;

Share means a fully paid ordinary share in Medibio;

Shareholder means the registered holder of an Existing Share;

Shareholding means the shares held by a Shareholder;

Share Registry means Computershare Investor Services Pty Limited;

Shortfall Facility means the offer of Additional New Shares to Eligible Shareholders that have fully subscribed to the Entitlement Offer as described in Section 1 of this Offer Booklet;

Subsidiary has the meaning given to that term in section 9 of the Corporations Act;

US or United States means United States of America, its territories and possessions, any state of the United States and the District of Columbia;

US Persons has the meaning given in Rule 902(k) of Regulation S under the US Securities Act; and

US Securities Act means U.S. Securities Act of 1933, as amended.

4. ELIGIBLE SHAREHOLDER DECLARATIONS

By returning a completed Entitlement and Acceptance Form or paying any application monies for New Shares via BPAY® or other method approved by Medibio under Section 2 of this Offer Booklet, you will be deemed to have made the following declarations to Medibio namely, that you:

- (a) acknowledge that you have read this Offer Booklet and the accompanying Entitlement and Acceptance Form in their entirety;
- (b) agree to be bound by the terms of the Entitlement Offer;
- (c) authorise Medibio to register you as the holder of the New Shares allotted to you;
- (d) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (e) declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (f) acknowledge that once Medibio receives the Entitlement and Acceptance Form or any payment of Application Moneys, you may not withdraw it;
- (g) apply for the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Moneys, at the Issue Price per New Share;
- (h) agree to be issued the number of New Shares that you apply for;
- (i) authorise Medibio, the Share Registry and their respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (j) declare that you are the current registered holder of Existing Shares and are a resident of Australia, New Zealand or Hong Kong;
- (k) acknowledge that the information contained in this Offer Booklet and the Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs, and is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Medibio and is given in the context of Medibio's past and ongoing continuous disclosure announcements to ASX;
- (l) represent and warrant that the law of any other place does not prohibit you from being given this Offer Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an Application for, and being issued, New Shares;
- (m) acknowledge the statement of risks in sections 3.25 and 3.26 in this Offer Booklet and that investments in Medibio are subject to investment risk;
- (n) acknowledge that none of Medibio and its respective related bodies corporate and affiliates and their respective directors, officers, employees, agents

- consultants, advisors, guarantees the performance of Medibio, nor do they guarantee the repayment of capital;
- (o) acknowledge that, if you act as a nominee or custodian for a beneficial shareholder that you will not distribute this document, and will not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia and New Zealand except, with the consent of Medibio, to beneficial shareholders resident in certain other countries where Medibio may determine it is lawful and practical to make the Offer.
 - (p) represent and warrant (for the benefit of Medibio and its related bodies corporate and affiliates) that you are eligible to participate in the Entitlement Offer;
 - (q) represent and warrant that you are not in the United States and are not a US Person and are not acting for the account or benefit of a US Person;
 - (r) acknowledge that the Entitlements and the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions of the United States, or in any other jurisdiction outside Australia and New Zealand and, accordingly, the Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of a US Person, and the New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, any US Person;
 - (s) agree not to send this Offer Booklet, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer to any person in the United States or that is a US Person or is acting for the account or benefit of a US Person;
 - (t) agree that if in the future you decide to sell or otherwise transfer the New Shares you will only do so in regular way transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States or a US Person; and
 - (u) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date.

CORPORATE DIRECTORY

Head Office

Level 4, 96-100 Albert Road
South Melbourne, Victoria 3205

Directors

Mr David Kaysen Managing Director
Mr Christopher Indermaur Chairman
Mr Patrick Carlisle Vice Chairman and Non-Executive Director
Dr Franklyn Prendergast Non-Executive Director
Mr Andrew Maxwell Non-Executive Director
The Hon. Patrick Kennedy Non-Executive Director
Mr Michael Phelps Non-Executive Director

Chief Executive Officer

Mr David Kaysen

Joint Company Secretaries

Ms Melanie Leydin
Mr Mathew Watkins

Legal Adviser

Gadens
Level 25, Bourke Place
600 Bourke Street
Melbourne VIC 3000

Registry

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001

Website: www.investorcentre.com/au

This page has been left intentionally blank.

For all enquiries:

Phone:



Medibio Limited +61 3 9692 7222

MEB


MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See overleaf for details of the Offer and how to make your payment

Non-Renounceable Entitlement Offer — Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (AEDT) Thursday 7 February 2019**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you accept your full Entitlement, you can also apply for Additional New Shares. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Offer Document dated 18 December 2018.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Medibio Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.


Turn over for details of the Offer →

Entitlement and Acceptance Form with Additional Shares

X 9999999991

IND

STEP 1 Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Entitlement No: 12345678

Offer Details: Existing shares entitled to participate as at
7:00pm (AEDT) Thursday 13 December 2018:

Entitlement to New Shares
on a 1 for 1 basis:

Amount payable on full acceptance
at \$0.02 per New Share:

| |
|---------------|
| 4,000 |
| 1 |
| \$0.01 |

STEP 2 Make Your Payment

| | |
|--|---|
|  | Billir Code: 291047 Ref No: 1234 5678 9123 4567 89 |
|--|---|

Pay by Mail:



Make your cheque, bank draft or money order payable to "**Medibio Limited**" and cross "**Not Negotiable**".

Return your cheque with the below payment slip to:

Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Contact your financial institution to make your payment from your cheque or savings account.

Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (AEDT) Thursday 7 February 2019. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor Medibio Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (AEDT) Thursday 7 February 2019. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Medibio Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

[Detach here](#)

Medibio Limited Acceptance Payment Details

Entitlement taken up:

Number of Additional New Shares applied for:

Amount enclosed at \$0.02 per New Share: **A\$**



Entitlement No: 12345678

Payment must be received by 5:00pm (AEDT) Thursday 7 February 2019

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Contact Details

Contact Name _____ **Daytime Telephone** _____

Cheque Details

| Drawer | Cheque Number | BSB Number | Account Number | Amount of Cheque |
|----------------------|----------------------|----------------------|----------------------|------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | A\$ |

123456789123456789+000000001-3051+14