



10 December 2018

ASX ANNOUNCEMENT

MEDIBIO LIMITED

CONVERTING NOTE & NON-RENOUNCEABLE ENTITLEMENT OFFER

Sydney, Australia and Minneapolis, MN USA – 10 December 2018: Medibio Limited (MEB or the Company) (ASX Code: MEB)(OTCQB:MDBIF)

The Company is pleased to announce that it has received firm commitments from sophisticated and professional investors to subscribe for approximately 125,000,000 Convertible Notes at \$0.02 per note (**Notes**) under which the Company will receive approximately \$2.5 million in two tranches under a Convertible Note Deed Poll. (**Convertible Note Deed Poll**)

In addition, the Company is also pleased to announce a non-renounceable pro-rata rights issue of 1 fully paid ordinary share (**New Share**) for each 1 Share held by eligible shareholders to raise approximately \$4.05 million (**Entitlement Offer**).

The proceeds from the issue of Notes and shareholder participation in the Entitlement Offer will be used to fund the costs of the Entitlement Offer, advance its 510(k) regulatory approval, progress its De Novo submission, technology development, product commercialisation and for the Company's working capital requirements.

Convertible Notes Deed Poll

Under the Convertible Note Deed Poll, the Notes issue will take place in two tranches. Tranche 1 will comprise the issue of 30,394,240 Notes under the Company's current placement capacity under ASX Listing Rule 7.1 to raise \$607,885. Tranche 2 is expected to raise a further \$1.9 million on the same terms as Tranche 1 but will be subject to shareholder approval at a General Meeting of the Company to be announced in due course.

The Notes will be secured over all the assets of the Company. The Company will issue fully paid ordinary shares upon conversion of the Notes.

The face value of the Notes is \$0.02 per note with no interest. The conversion price will be the lower of \$0.02 or the offer price of any subsequent share issue undertaken by the Company during the term of the Note. The Notes will have a maturity date of 18 months from the date of issue, and unless converted earlier, all Notes must be converted on their maturity date. The Notes will be convertible at the election of the noteholder on the last business day at the end of each quarter commencing 31 March 2019.

Entitlement Offer

The Entitlement Offer is being offered at a price of A\$0.02 per Share.

All new Shares will rank equally with existing Shares on the date of issue.

An Appendix 3B in relation to the Entitlement Offer and a notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) will be lodged with ASX Limited (**ASX**).

The Company is pleased to advise that a key international institutional investor who was unable to participate in the placement of Convertible Notes has indicated to take-up their entitlements and participate in the event of any shortfall to the extent that they do not exceed 10% following the Entitlement Offer.

Additional information on the Entitlement Offer

The Entitlement Offer will open on 18 December 2018 and close at 5.00pm on 7 February 2019.

Eligible shareholders will be those with registered addresses in Australia, New Zealand and Hong Kong only.

Eligible shareholders can choose to take up all, part or none of their Entitlement.

Eligible shareholders who apply for their Entitlement in full may apply for additional Shares under the Shortfall. If eligible shareholders subscribe for more Shares than are available under the Shortfall, the Company will apply a scale-back procedure to ensure a fair allocation of the shortfall. If there is remaining shortfall the Company can place within three months following the close of the Entitlement Offer.

Eligible shareholders wishing to participate in the Entitlement Offer should carefully read the Offer Booklet and accompanying personalised Entitlement and Acceptance Form which are expected to be dispatched on or around 18 December 2018. Copies of the retail offer booklet will be available on the ASX website by 18 December 2018.

Key indicative dates*

Announcement of Entitlement Offer	10 December 2018
Record Date for the Entitlement Offer on 7pm AEDT	13 December 2018
Despatch of Information Booklet and Entitlement and Acceptance Form to Eligible Shareholders	18 December 2018
Entitlement Offer opens	18 December 2018
Entitlement Offer closes 5.00 pm (AEDT)	7 February 2019
Issue of New Shares under the Entitlement Offer and entry of New Shares into Shareholders' holdings	14 February 2019
Despatch of holding statements	14 February 2019
Normal trading of New Shares issued under the Entitlement Offer expected to commence on ASX	15 February 2019

**The above timetable is indicative only and subject to change. The quotation of Shares is subject to ASX approval. Subject to the ASX Listing Rules and Corporations Act and other applicable laws, the Company reserve the right to vary these dates, including the Closing Date, without notice, including extending the period of the Entitlement Offer or accepting law applications, either generally or in particular cases or bringing forward the Closing Date at its discretion. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the Shares.*

Further information

Eligible shareholders will be sent further details about the Entitlement Offer via a shareholder letter to be despatched on or around 18 December 2018 and an Offer Booklet to be lodged with ASX on 18 December 2018.

Further information in relation to the Entitlement Offer is also set out in the Investor Presentation which the Company filed with ASX today which contains important information with respect to the Entitlement Offer.



If you wish to speak with the Company directly, please contact Melanie Leydin on +61 3 9692 7222

Yours faithfully,

Christopher Indermaur
Chairman