

11 December 2018

Dear Shareholder

**Notification to ineligible shareholders of Entitlement Offer**

Medibio Limited (**Company**) has announced to ASX Limited (**ASX**) a pro-rata non-renounceable entitlement offer on the basis of one (1) fully paid ordinary share (**New Shares**) for every one (1) existing share held by Shareholders registered at 7.00pm (AEDT) on 13 December 2018 at an issue price of \$0.02 (2 cents) (**Entitlement Offer**).

The Entitlement Offer seeks to raise approximately \$4.05 million.

The Entitlement Offer is being made without a prospectus in accordance with section 708AA of the *Corporations Act 2001* (Cth).

The net proceeds of 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.

**Entitlement Offer**

The Entitlement Offer is being made to Eligible Shareholders (as defined below) on the basis of 1 New Share for every 1 existing share held in the Company (**Entitlement**) as at 7.00 pm (AEDT) on 13 December 2018 (**Record Date**).

Eligible Shareholders will be able to take up their Entitlement as well as apply for additional New Shares. Further details about the Entitlement Offer are set out in the Offer Booklet which will be made available on ASX's website in the coming days.

Shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) are those who:

- (a) are registered as the holder of shares in the Company as at 7.00 pm (AEDT) on the Record Date;
- (b) have a registered address on the share register of the Company in Australia, New Zealand or Hong Kong;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States; and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

**Eligibility criteria**

In determining eligibility, pursuant to Listing Rule 7.7.1(a) and section 9A(3) of the *Corporations Act 2001*(Cth), the Company 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.

The Company 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 the Company'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.

### **No right to participate**

**Unfortunately, the Company has determined that you do not satisfy the eligibility criteria for an Eligible Shareholder. Accordingly, the Company wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer.**

**The purpose of this letter is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter constitutes the notice that the Company is required to give each Ineligible Shareholder under ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Corporations Act 2001 (Cth).**

**This letter is not an offer to issue entitlements or New Shares to you, and is not an invitation for you to apply for entitlements in New Shares. You are not required to do anything in response to this letter.**

### **Further information**

For further information on the Entitlement Offer you may call the Company on +61 3 9692 7222. You may wish to contact your stockbroker, accountant or other professional adviser should you have any queries regarding your eligibility.

On behalf of the Board and management of Medibio Limited, we thank you for your continued interest and support of the Company.

Yours faithfully,



Christopher Indermaur  
Chairman

### **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

This letter is issued by Medibio Limited. This letter is not a prospectus or offer document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in Medibio Limited in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of Medibio Limited shares. No action has been, or will be, taken to register any offer or otherwise permit a public offering of securities outside Australia and New Zealand. This letter may not be released or distributed in the United States.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The entitlements and the New Shares offered in the Entitlement Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 ("**U.S. Securities Act**") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by persons in the United States and the New Shares may not be offered or sold in the United States, unless they have been registered under the U.S. Securities Act or are offered or sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The New Shares to be offered and sold in the Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.