

ASX Announcement



Medibio Limited – 10 December 2018

Non-Renounceable Entitlement Offer

Cleansing Notice under Section 708AA(2)(F) of the Corporations Act 2001 (Cth)

This notice is given by Medibio Limited (ASX Code: MEB) (**Medibio**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**).

Medibio announced today that it is seeking to raise approximately \$4.05 million by way of a non-renounceable pro-rata rights issue (**Entitlement Offer**).

Under the Entitlement Offer, shareholders with a registered address in Australia, New Zealand and certain other jurisdictions in which Medibio decided to make offers are invited to subscribe for one fully paid ordinary share (**Share**) for every one Share held as at 7.00pm (AEDT) on Thursday 13 December 2018.

Medibio confirms that:

1. The Shares will be offered pursuant to the Entitlement Offer without disclosure under Part 6D.2 of the Corporations Act.
2. This notice is being given under section 708AA(2)(f) of the Corporations Act.
3. As at the date of this notice, Medibio has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to Medibio; and
 - (b) section 674 of the Corporations Act.
4. As at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act that is required to be set out in this notice under section 708AA(7) of the Corporations Act.
5. The potential effect that the issue of Shares will have on the control of Medibio, and the consequences of that effect, will depend on a number of factors, including investor demand. To the extent that shareholders fail to take up their entitlements under the Offer, the percentage of holdings of those shareholders in Medibio may be diluted by those other shareholders who take up some, all or more than their entitlement. At this time, the issue of the Shares under the Offer is not expected to have a material effect or consequence on the control of Medibio given:
 - (a) the Offer is structured as an pro-rata issue;
 - (b) the current level of holdings of substantial holders (based on substantial holding notices that have been given to Medibio and lodged with ASX on or before the date of this notice); and
 - (c) no participant in any shortfall will be offered Shares which would result in them holding more than 20% of the Shares on issue.

Yours faithfully,

Melanie Leydin
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Medibio Limited

ABN

58 008 130 336

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <p>MEB will issue up to 202,628,271 fully paid ordinary shares under a pro-rata non-renounceable entitlement issue on a 1 for 1 basis as announced to ASX on 10 December 2018 (Entitlement Offer).</p> <p>The exact maximum number of shares to be issued under the Rights Issue is not known at the date of this Appendix 3B as it will depend on whether or not any of the existing MEB option holders exercise their options prior to the record date.</p> |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the | The terms of the shares issued under the Entitlement Offer will be the same as those of existing fully paid ordinary shares. |

	conversion price and dates for conversion)	
4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes, the shares issued under the Entitlement Offer will rank equally with existing ordinary shares on issue.</p>
5	Issue price or consideration	\$0.02 (2 cents) per share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The funds raised will be used to advance the Company's 510(k) regulatory approval, progress its De Novo submission, technology development, product commercialisation and for the Company's working capital requirements.
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	16 November 2018
6c	Number of +securities issued without security holder approval under rule 7.1	N/A

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Nil				
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil				
6f	Number of +securities issued under an exception in rule 7.2	N/A				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer to Annexure 1				
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	Anticipated to be 14 February 2019				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>Assuming that the maximum number of shares offered under the Entitlement Offer are issued there will be 405,256,542 shares on issue after the completion of the Entitlement Offer</td> <td>Ordinary Fully Paid Shares</td> </tr> </tbody> </table>	Number	+Class	Assuming that the maximum number of shares offered under the Entitlement Offer are issued there will be 405,256,542 shares on issue after the completion of the Entitlement Offer	Ordinary Fully Paid Shares
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Assuming that the maximum number of shares offered under the Entitlement Offer are issued there will be 405,256,542 shares on issue after the completion of the Entitlement Offer	Ordinary Fully Paid Shares					

	Number	+Class
9		Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)
	4,650,000	Shares partly paid to \$0.01 with \$0.29 to pay
	3,000,000	Options - exercise price \$0.40, expire 3 years after issue & vest – 28 August 2016
	1,500,000	Options - exercise price \$0.60, expire 3 years after issue & vest – 28 February 2017
	1,500,000	Options - exercise price \$0.80, expire 3 years after issue & vest – 28 August 2017
	3,500,000	Options - exercise price \$0.48, expire 30 November 2019
	2,000,000	Options - exercise price \$0.45, expire 11 October 2022
	3,000,000	Options - exercise price \$0.40, expire 30 November 2019
	3,000,000	Options - exercise price \$0.40, expire 11 November 2020
	8,875,000	Options - exercise price \$0.45, expire 18 June 2023
	3,637,113	Options - exercise price \$0.44, expire 18 June 2022
3,000,000	Options - exercise price \$0.80, expire 11 October 2020	

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	n/a
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Part 2 - Pro rata issue

11	Is security holder approval required?	No
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12	Is the issue renounceable or non-renounceable?	Non-renounceable
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+ See chapter 19 for defined terms.

13	Ratio in which the ⁺ securities will be offered	One new share will be offered for every one existing share held by an eligible shareholder as at the record date.
14	⁺ Class of ⁺ securities to which the offer relates	Fully Paid Ordinary Shares
15	⁺ Record date to determine entitlements	7:00 PM (AEDT) 13 December 2018
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Any fractional entitlements to a new share will be rounded up to the nearest whole new share.
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Any other country apart from Australia, Hong Kong and New Zealand.
19	Closing date for receipt of acceptances or renunciations	5:00 PM (AEDT) 7 February 2019
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	Baillieu Ltd
23	Fee or commission payable to the broker to the issue	Fee yet to be determined however the company will disclose the fee in due course.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A

26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	18 December 2018
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	10 December 2018
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Issue date	Anticipated 14 February 2019

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:
 - the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- 41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)

Number	+Class
N/A	N/A

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

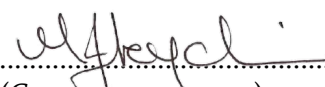
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


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(Company secretary)

Date: 10 December 2018

Print name: Melanie Leydin

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	199,907,495 Shares
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	16 January 2018 – 500,000 shares 2 March 2018 – 1,836,512 shares 17 April 2018 – 384,264
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	202,628.271

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	30,394,240
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	-
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	30,394,240
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.15] – “C”	30,394,240 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	202,628,271
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	20,262,827
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	-

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	20,262,827
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	-
Total ["A" x 0.10] – "E"	20,262,827 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.