

Prospectus

Medibio Limited
ACN 008 130 336

Offer of Shares and Options under Share Purchase Plan

For an offer to SPP Subscribers of up to 52,000,000 SPP Shares at an offer price of \$0.01 (1 cent) and one free attaching Option for each SPP Share subscribed for exercisable at \$0.03 (3 cents) and expiring on 1 December 2021 to raise up to a maximum of \$520,000. (**SPP Offer**)

Offer of Options to Placement investors

For an offer of up to 350,000,000 free attaching Options for nil consideration, exercisable at \$0.03 each and expiring on 1 December 2021, on the basis of one free Option for every one Share issued to investors under the Placement. (**Placement Offer**)

Offer of Options to Convertible Note holders

For an offer to Convertible Note Holders of up to 275,333,040 Options for nil consideration on the basis of one free attaching Option for every one Conversion Share issued to Convertible Note Holders, exercisable at \$0.03 (3 cents) and expiring on 1 December 2021. (**C-Note Offer**)

Offer of Options to CPS Capital Group Pty Ltd

For an offer of up to 90,000,000 Options at the price of \$0.00001 (0.001 cent) per Option, exercisable at \$0.03 each and expiring on 1 December 2021, to CPS Capital Group Pty Limited or their nominees. (**CPS Offer**)

The Offers are each conditional upon the Company obtaining Shareholder approval at the Company's Extraordinary General Meeting (**EGM**) scheduled to be held on 19 August 2019, for which a notice of meeting was dispatched on 22 July 2019

Refer to Sections 5 and 6 for further details.

Important Information

This Prospectus is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The SPP Shares and Options offered by this Prospectus should be considered as speculative.

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Important Notice

Prospectus

This Prospectus relates to the offer of SPP Shares and Options by Medibio Limited ("**MEB**" or "**Company**") under the Offers.

This Prospectus is dated 23 July 2019 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The expiry date of the Prospectus is 5pm (AEST) on the date that is 13 months after the date of this Prospectus (**Expiry Date**). No SPP Shares or Options will be issued on the basis of this Prospectus after the Expiry Date.

This Prospectus is a transaction specific prospectus for an offer to acquire continuously quoted securities and options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering Prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and their professional advisers.

None of ASIC and ASX, and their respective officers, take any responsibility for the contents of this Prospectus or the merits of the securities to which this Prospectus relates.

Applications for SPP Shares and Options offered pursuant to this Prospectus can only be submitted on an Application Form.

No representation other than in this Prospectus

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Except as required by law, and only to the extent so required, neither MEB nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus, or on the exercise of the Options issued under this Prospectus.

Prospectus does not contain investment advice

The information provided in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular circumstances. It is important that you read and consider the information in this Prospectus in full before deciding to apply for SPP Shares or Options and consider the risks that could affect the performance of the SPP Shares and Options and Shares issued on exercise of the Options.

If you have any questions, you should seek advice from your financial or other professional adviser.

Obtaining a Prospectus and Application Form

Paper copies of this Prospectus and an Application Form can be obtained free of charge during the offer period (as set out in Section 6.9 of this Prospectus) by calling the Company, from 9am to 5pm, Monday to Friday, +61 9692 7222.

Risk Factors

Potential investors should be aware that subscribing for SPP Shares and subscribing for and exercising Options involves a number of risks. The key risk factors which investors should be aware are set out in Section 9 of this Prospectus. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the SPP Shares, the Options and Shares issued upon exercise of the Options, in the future.

Restrictions on Foreign Jurisdictions

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

No action has been taken to register or qualify the SPP Shares or Options being offered under the Offers or otherwise permit a public offering of the SPP Shares or Options in any jurisdiction other than Australia, New Zealand and Hong Kong. This Prospectus may not be distributed to or relied on by persons outside Australia, New Zealand or Hong Kong.

In particular, this Prospectus, the Offers and the SPP Shares and Options to be issued under the Prospectus have not been, and will not be, registered under the *US Securities Act of 1933* (as amended) and the Offers may not be offered or sold in the

United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Information for New Zealand investors

The SPP Shares and free Attaching Options are not being offered or sold to the public in New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand on the Record Date to whom the offer of SPP Shares and Attaching Options can be made in reliance on the *Financial Markets Conduct Act 2013* (the "**FMC Act**") and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This document has not been registered, filed or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

The Options offered under the Other Offers are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Information for Hong Kong investors

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 Offers. If you are in doubt about any contents of this document, you should obtain independent professional advice.

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

Financial information and forward looking statements

Section 7 sets out in detail the financial information referred to in this Prospectus and the basis of preparation of that information.

Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding. This Prospectus contains forward looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. Any forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Forward looking statements should be read in conjunction with risk factors as set out in Section 9, and other information in this Prospectus.

Defined words and expressions

Some words and expressions used in this Prospectus have defined meanings. These words and expressions are capitalised and are defined throughout the Prospectus or in the Glossary in Section 11.

A reference to \$ or cents in this Prospectus is a reference to Australian currency (unless otherwise stated). A reference to time in this Prospectus is a reference to Melbourne, Australia time.

Privacy

If you apply for SPP Shares or Options, you will provide personal information to the Company its agents, contractors and third party services providers. The Company its agents, contractors and third party services providers collect, hold and use your personal information in order to assess your application, service your needs as a Shareholder and Option holder, provide facilities and services that you request and carry out appropriate administration.

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.

1. Letter to Shareholders

Dear Shareholder

Medibio Limited Share Purchase Plan

On behalf of the Board, I am pleased to offer you the opportunity to apply for new, fully paid ordinary Shares (**'SPP Shares'**) in Medibio Limited (**'MEB'** or the **'Company'**) under a fully underwritten Share Purchase Plan (**'SPP'**).

The SPP allows Eligible Shareholders the opportunity to subscribe for up to \$15,000 worth of SPP Shares without paying brokerage or other transaction costs. Eligible Shareholders will also be entitled to apply for one free attaching Option (**'Attaching Option'**) for each SPP Share subscribed for under the SPP. The Attaching Options will be issued for nil consideration and will be exercisable at \$0.03 (3 cents), expiring on 5pm (AEST) on 1 December 2021. Each Attaching Option gives the holder the right to subscribe for one Share upon exercise.

The SPP Shares will be issued under the SPP at \$0.01 (1 cent) per SPP Share (**'Offer Price'**), which is the same price as the price at which Shares have been offered to investors under placements to raise \$3.5 million (subject to Shareholder approval) for which the Company has received firm commitments as announced on 10 July 2019 (**'Placement'**).

Additionally, the SPP Offer is extended to the Underwriter and any sub-underwriter or nominee in connection with the Underwriter's obligations under the Underwriting Agreement (**'Eligible Shortfall Participants'**). Eligible Shortfall Participants' ability to participate in the SPP Offer will be limited to the extent that there is an SPP Shortfall.

The Placement has been undertaken in two stages, the first of which raised approximately \$350,000 and completed on 19 July 2019 and the second of which will raise approximately \$3,150,000 million and is expected to complete on 28 August 2019. Participants in the Placement are also entitled to subscribe for Options on the same terms as the Attaching Options that are being offered to Eligible Shareholders in under the SPP.

The Company has a total of 137,666,520 convertible notes (**'Convertible Notes'**) on issue with a face value of \$0.02 (2 cents) per note and maturity terms of 18 months from the date of issue (the first tranche of Convertible Notes was issued on 18 December 2018 and the second tranche was issued on 31 January 2019). Under their terms, the Convertible Notes convert to Shares at the lesser of \$0.02 (2 cents) and the issue price under any subsequent capital raising by the Company prior to conversion.

All holders of Convertible Notes (**'Note Holders'**) have agreed to early conversion of their Convertible Notes into Shares (**'Conversion'**), at a Conversion price equal to the issue price per Share under the Placement (and thus the SPP), subject to the Note Holders being issued with one Option for every Share issued on Conversion. Upon Conversion, the Convertible Notes are cancelled and the Company's contingent liabilities will reduce by approximately \$2.75 million.

Completion of the second stage of the Placement and the Conversion of Convertible Notes are conditional on Shareholder approval at the Company's extraordinary general meeting to be held in Melbourne at 11am (AEST) on Monday, 19 August 2019 (**'EGM'**). A notice of meeting has been dispatched to Shareholders in connection with the EGM, and I encourage all Shareholders to carefully read the notice of meeting and vote at the EGM.

The terms and conditions of the SPP and your SPP Offer Application Form are provided with this Prospectus. You should read this Prospectus in its entirety before deciding whether to participate in the SPP.

The SPP Offer is conditional on the Company obtaining Shareholder approval at the EGM. If Shareholder approval is not obtained, Shareholders who subscribe for SPP Shares and Attaching Options under the SPP Offer will not be issued with SPP Shares and Attaching Options and the Company will refund all application monies.

The Company is seeking to raise \$520,000 under the SPP, however the Company reserves the right to raise more or less than this amount. The SPP is fully underwritten by CPS Capital Group Pty Ltd (AFSL 294848) ('**CPS Capital**'). Accordingly, if no subscriptions are received for SPP Shares under the SPP, CPS Capital will be required to subscribe, or procure subscription, for \$520,000 worth of SPP Shares, subject to Shareholder approval at the EGM. Likewise, if subscriptions are received for \$520,000 worth of SPP Shares under the SPP, CPS Capital will not have any obligation to subscribe for SPP Shares.

The Directors have reserved the right to place the SPP Shares and Attaching Options not subscribed for by Eligible Shareholders under the SPP to CPS Capital and any sub-underwriter appointed by CPS Capital (subject to approval at the EGM).

Other Offers

In addition to the SPP Offer, the Company is also making the Placement Offer, C-Note Offer and CPS Offer (collectively the '**Other Offers**') under this Prospectus. All Other Offers are for offers of Options, which will be exercisable at \$0.03 (3 cents), expiring on 5pm (AEST) on 1 December 2021.

The terms and conditions of the Other Offers are provided in this Prospectus. The Other Offers are also conditional on the Company obtaining Shareholder approval at the EGM. If Shareholder approval is not obtained, persons who subscribe for Options under the Other Offers will not be issued with Options and the Company will refund all application monies (if any) to the extent that the Company cannot issue the Options under its placement capacity pursuant to ASX Listing Rule 7.1.

Use of funds

Proceeds from the SPP and underwritten shortfall (and any funds raised on the exercise of the Attaching Options and other Options under the Other Offers) will be used to progress commercialising its ilumen™ product into different markets, finalise its revised CE mark and file its new De Novo application with the FDA. The additional working capital will enable the continued growth of the Company's current products alongside its future products.

Eligibility

The Offers have separate eligibility requirements, which are as follows:

(a) SPP Offer

Participation in the SPP Offer is optional and is available exclusively to SPP Subscribers, being Eligible Shareholders and Eligible Shortfall Participants. See section 2 below for more detail on who is an Eligible Shareholder and an Eligible Shortfall Participant.

All Eligible Shareholders will be sent a copy of this Prospectus, together with a SPP Offer Application Form. Eligible Shareholders' right to participate in the SPP is not transferrable.

The Prospectus will also be sent to CPS Group as underwriter to the SPP Offer and any sub-underwriter and nominees appointed by CPS Group, who will apply for SPP Shortfall, being an amount up to 52,000,000 SPP Shares, and 52,000,000 Attaching Options on the basis of one free Attaching Option for every SPP Share validly subscribed for under the SPP Shortfall.

(b) **Placement Offer**

The Prospectus invites Placement Participants to apply for a total of up to 350,000,000 Options for nil consideration, on the basis of one free Option for every one Placement Share validly subscribed for under the Placement.

All Placement Participants who wish to participate in the Placement Offer will be sent a copy of this Prospectus., together with a Placement Offer Application Form.

Only Placement Participants can accept the Placement Offer.

(c) **C-Note Offer**

The Prospectus invites Convertible Note Holders to apply for a total of up to 275,333,040 Options for nil consideration, on the basis of one free Option for every one Share issued to Convertible Note Holders upon Conversion.

All Convertible Note Holders who wish to participate in the C-Note Offer will be sent a copy of this Prospectus, together with a C-Note Offer Application Form.

Only Convertible Note Holders can accept the C-Note Offer.

(d) **CPS Offer**

The Prospectus invites CPS Capital to apply for a total of up to 90,000,000 Options at the consideration of \$0.00001 (0.001 cent) per Option. The number of Options that CPS Capital is entitled to apply for will be calculated on a pro-rata basis proportionate to the amount of Placement Shares and Options issued and granted to Placement Participants that are procured by CPS Capital acting as lead manager to the Placement.

CPS Capital will be sent a copy of this Prospectus, together with a CPS Offer Application Form.

Only CPS Capital can accept the CPS Offer.

All SPP Shares issued under the SPP Offer (including under the SPP Shortfall) will rank equally with existing Shares. All Shares issued upon exercise of the Options offered under this Prospectus (including Attaching Options under the SPP Offer) will rank equally with existing Shares at time of exercise.

How to apply

(a) **The SPP Offer**

The SPP opens on 30 July 2019 and closes on Tuesday 20 August 2019, subject to the Company's discretion to vary the dates of the SPP.

To apply for SPP Shares and Attaching Options you must either:

- complete and return the enclosed SPP Offer Application Form, together with payment via cheque, bank draft or money order; or
- make a payment directly via BPAY® (you do not need to return a SPP Offer Application Form under this option).

The SPP Offer Application Form allows you to apply for both SPP Shares and Attaching Options.

The SPP Offer Application Form is structured that you are taken to apply for both SPP Shares and corresponding free Attaching Options. If you do not wish to apply for free Attaching Options and only wish to apply for SPP Shares, please get in touch with the Company at +61 3 9692 7222 and a new application form will be sent to you.

If you are an Eligible Shareholder you may apply for a parcel of SPP Shares valued at \$1,000, \$2,000, \$5,000, \$10,000 or \$15,000 (subject to discretionary scale back). Cleared funds must be received by no later than 5pm (AEST) on Tuesday, 20 August 2019.

If you are an Eligible Shortfall Participant your ability to participate in the SPP Offer will be limited to the extent that there is an SPP Shortfall.

(b) Placement Offer

Placement Participants may apply for Options under the Placement Offer by completing the Placement Offer Application Form accompanying this Prospectus in accordance with the instructions outlined on the Placement Offer Application Form. Applications pursuant to the Placement Offer may only be made by those investors who participated in the Placement.

All Placement Participants who wish to participate in the Placement Offer will be sent a copy of this Prospectus., together with a Placement Offer Application Form.

Completed Placement Offer Application Forms should be returned in accordance with the instructions on the Placement Offer Application Form.

(c) C-Note Offer

Convertible Note Holders may apply for Options under the C-Note Offer by completing the C-Note Offer Application Form accompanying this Prospectus in accordance with the instructions outlined in the C-Note Offer Application Form. Applications pursuant to the C-Note Offer may only be made by Convertible Note Holders.

All Convertible Note Holders who wish to participate in the C-Note Offer will be sent a copy of this Prospectus., together with a C-Note Offer Application Form.

Completed C-Note Offer Application Forms should be returned in accordance with the instructions on the C-Note Offer Application Form.

(d) CPS Offer

CPS Capital may apply for Options under the CPS Offer by completing the CPS Offer Application Form accompanying this Prospectus in accordance with the instructions outlined in the CPS Offer Application Form. Applications pursuant to the CPS Offer may only be made by CPS Capital.

CPS Capital will be sent a copy of this Prospectus, together with a CPS Offer Application Form.

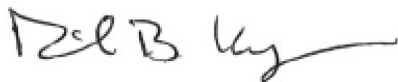
Completed CPS Offer Application Form should be returned in accordance with the instructions on the CPS Offer Application Form.

Queries

If you have any questions in relation to how to participate in the SPP Offer or any of the Other Offers, please contact the Company, from 9am to 5pm, Monday to Friday, on +61 3 9692 7222 . If you have any questions in relation to whether an investment in the Company through the SPP Offer or the Other Offers is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

Thank you for your continued support of Medibio Limited.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Del B Kaysen". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

David Kaysen
Chairman, Managing Director and CEO

2. Key SPP Information

What is the SPP?

The SPP provides Eligible Shareholders with the opportunity to subscribe for up to \$15,000 worth of SPP Shares (and free Attaching Options) without paying any brokerage or other charges. Additionally, Eligible Shortfall Participants will be able to participate in the SPP Offer to the extent that there is an SPP Shortfall.

Applications may be scaled back at the absolute discretion of the Company. More details of the SPP are set out in Section 5 of this Prospectus.

How much will the Company raise under the SPP?

The Company is seeking to raise \$520,000 under the SPP. The Company reserves the right to raise more or less than this amount in its absolute discretion.

The Company may, at its absolute discretion, scale back the number of SPP Shares (and free Attaching Options) that will be allotted to individual Shareholders under the SPP. However, the Company anticipates that this will only occur to the extent that the SPP Offer is oversubscribed by Eligible Shareholders.

What is the Offer Price of SPP Shares under the SPP?

The SPP Shares will be issued under the SPP at the Offer Price of \$0.01 (1 cent) per SPP Share, which is the price at which Shares were issued to investors under the Placement. For each SPP Share validly subscribed for by an SPP Subscriber, the subscriber is also entitled to one free Attaching Option exercisable at \$0.03 (3 cent) each and expiring on 1 December 2021.

There is a risk that the market price of Shares may rise or fall between the Record Date, the date of this Prospectus, the date on which a Shareholder makes a payment for SPP Shares or sends in a SPP Offer Application Form, and the time of issue of SPP Shares under the SPP. This means that the price you pay for the SPP Shares issued to you may be less than or more than the market price of Shares at the date of this Prospectus or the time of issue of the SPP Shares.

There is also a risk that the market price of Shares may rise or fall between when the Attaching Options are granted and when the Optionholder exercises the Attaching Options. This means that the value of the Attaching Options at any time prior to their exercise may be less or more than the value of the Attaching Options as at the date of grant.

Your application is unconditional and may not be withdrawn even if the market price of Shares is less than the Offer Price.

The current Share price can be obtained from the ASX under the ticker code "MEB".

Is the SPP underwritten?

Yes, the SPP is underwritten by CPS Capital. Accordingly, if no subscriptions are received for SPP Shares under the SPP, CPS Capital (including any sub-underwriters appointed by CPS Capital) will be required to subscribe for \$520,000 worth of SPP Shares, subject to approval at the EGM. Likewise, if subscriptions are received for \$520,000 worth of SPP Shares under the SPP, CPS Capital (nor any sub-underwriters appointed by CPS Capital) will not have any obligation to subscribe for SPP Shares. For every SPP Share subscribed for by CPS Capital or any of its appointed sub-underwriters or nominees, the subscriber is entitled to apply for one free Attaching Option in accordance with the terms of the SPP Offer.

Am I an SPP Subscriber?

Participation in the SPP is open to:

- Eligible Shareholders being the registered holders of Shares in the Company at 7pm (AEST time) on Tuesday, 9 July 2019 (**Record Date**) and whose address on the Company's Share register is in Australia, New Zealand or Hong Kong (provided that such Shareholder:
 - is not in the United States, or acting for the account or benefit of a person in the United States; and
 - are eligible under all applicable securities laws to receive an offer under the SPP Offer; and
- Eligible Shortfall Participants, being the Underwriter and any sub-underwriter or nominee in connection with the Underwriter's obligations under the Underwriting Agreement and who are eligible under all applicable securities laws to receive an offer under the SPP Offer.

The SPP is also being extended to Eligible Shareholders who are Custodians for them to participate in the SPP on behalf of certain Eligible Beneficiaries (who are Australian, New Zealand or Hong Kong residents and not in the United States, or acting for the account or benefit of a person in the United States) on the terms and conditions provided in this Prospectus.

The SPP Offer is made on the terms and conditions set out in this Prospectus.

How much can I invest under the SPP?

Eligible Shareholders may apply for a parcel of SPP Shares under the SPP in accordance with the application amounts set out below. The maximum investment amount under the SPP is \$15,000 or 1,500,000 SPP Shares (and corresponding number of free Attaching Options), subject to scale back at the absolute discretion of MEB.

The number of SPP Shares and Attaching Options issued to an applicant will be rounded up to the nearest whole number after dividing the application monies by the Offer Price.

Application amount	\$1,000	\$2,000	\$5,000	\$10,000	\$15,000
Number of SPP Shares (and Attaching Options)	100,000	200,000	500,000	1,000,000	1,500,000

Eligible Shortfall Participants' ability to participate in the SPP will:

- be limited to the extent that there is an SPP Shortfall;
- not be restricted to a maximum amount (other than to the extent that SPP Shares are available under the SPP Shortfall); and
- be subject to scale back at the absolute discretion of MEB.

How do I apply for SPP Shares and free Attaching Options?

If you wish to participate in the SPP, you need to do one of the following.

- **Option 1: Pay by BPAY®**

Make payment by BPAY® as shown on the enclosed SPP Offer Application Form. To apply via BPAY® you must have an Australian bank account. If you apply via BPAY® there is no

need to return the enclosed SPP Offer Application Form, but you will be taken to have made the statements and certifications that are set out in the SPP Offer Application Form.

Payment must be received in cleared funds by no later than 5pm (AEST) on Tuesday, 20 August 2019.

You should be aware that your own financial institution may implement earlier cut off times for electronic payments and you should take this into consideration when making payment of application monies via BPAY®.

- **Option 2: Pay by cheque or money order**

Complete and return the enclosed SPP Offer Application Form together with a cheque or money order made payable to 'Medibio Limited' and crossed "Not Negotiable" as shown on the SPP Offer Application Form. SPP Offer Application Forms and payment must be received by no later than 5pm (AEST) on Tuesday, 20 August 2019 and should be sent in the enclosed reply paid envelope or mailed to Computershare Investor Services Pty Limited at the following address:

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001

The SPP Offer Application Form allows Eligible Shareholders to apply for both SPP Shares and the Attaching Options.

The SPP Offer Application Form is structured that you are taken to apply for both SPP Shares and corresponding free Attaching Options. If you do not wish to apply for free Attaching Options and only wish to apply for SPP Shares, please get in touch with the Company at +61 3 9692 7222 and a new application form will be sent to you.

Do Eligible Shareholders have to participate in the SPP?

No, participation in the SPP by Eligible Shareholders is entirely voluntary.

If you do not wish to participate in the SPP (and the offer of free Attaching Options), do nothing.

However, you may only apply for the same number of Attaching Options as the number of SPP Shares you applied for.

Can Eligible Shareholders offer under the SPP be transferred to a third party?

No, the offer cannot be transferred.

What are the rights attached to SPP Shares issued under the SPP?

SPP Shares issued under the SPP will rank equally with other fully paid ordinary Shares of the Company as at the date of issue of the SPP Shares.

What are the Attaching Options and what is my entitlement to them?

The Attaching Options are a free attaching Option, offered to participants under the SPP who subscribed for SPP Shares.

SPP Subscribers will be entitled to apply for one Attaching Option for each SPP Share subscribed for under the SPP. The Attaching Options will be issued for nil consideration and will be exercisable at \$0.03 (three cents), expiring on 5pm (AEDT) on 1 December 2021. Each Attaching Option gives the holder the right to subscribe for one Share upon exercise. The terms of all Options offered under this Prospectus, which includes the Attaching Option are set out at Section 8.1 of this Prospectus.

Is the SPP Offer conditional?

The SPP Offer is conditional on the Company obtaining Shareholder approval at the EGM. If Shareholder approval is not obtained, Shareholders who subscribe for SPP Shares and Attaching Options under the SPP will not be issued SPP Shares or Attaching Options, and all subscription monies will be refunded without interest.

What happens if there is a scale-back?

In the event of a scale-back, the number of Attaching Options issued to Eligible Shareholders will be scaled back in the same proportion as the number of SPP Shares applied for is scaled back (so that you will be issued the same number of Attaching Options and SPP Shares).

Will the SPP Shares and Attaching Options be quoted on ASX?

Whilst the Company will apply for quotation of the SPP Shares and Attaching Options on ASX within seven days of the date of the Prospectus, in the event that quotation of the SPP Shares and Attaching Options are not granted by ASX within three months of the date of the Prospectus (or any further extension in reliance on ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70 which will include withdraw rights to investors) then any issue of SPP Shares and Attaching Options will be void and the Company will refund all application monies to investors under the SPP Offer without interest.

Quotation of the Attaching Options on ASX is dependent on the satisfaction of ASX Listing Rule 2.5, condition 6, which requires that there are at least 100,000 Options (which includes the Attaching Options) on issue and 50 holders of Options with a marketable parcel (excluding restricted securities). As at the date of this Prospectus, the Company cannot guarantee that the quotation condition will be satisfied. If this condition is not satisfied, any issue of SPP Shares and Attaching Options will be void and the Company will refund all application monies to investors under the SPP Offer without interest.

The fact that ASX may grant official quotation to the SPP Shares and Attaching Options is not to be taken in any way as an indication of the merits of the Company or the SPP Shares and Attaching Options.

Where can I get more information on the SPP?

If you have questions in relation to how to participate in the SPP, please contact the Company, on +61 3 9692 7222 . If you have any questions in relation to whether an investment in the Company through the SPP is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

What do I do if I am a Custodian?

The SPP is being extended to Eligible Shareholders who are Custodians and who wish to apply for SPP Shares (and free Attaching Options) on behalf of certain Eligible Beneficiaries.

The SPP is being offered to Custodians as the registered Shareholder. Custodians are not required to participate on behalf of their Eligible Beneficiaries. Custodians may choose whether or not to extend the SPP to their Eligible Beneficiaries.

If you wish to apply as a Custodian under the SPP to receive SPP Shares and Attaching Options for one or more Eligible Beneficiaries, you must complete and submit an additional Custodian Certificate before your application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected. By applying as a Custodian on behalf of Eligible Beneficiaries to purchase SPP Shares (and free Attaching Options), you certify (amongst other things) that each Eligible Beneficiary has not exceeded the \$15,000 limit.

3. Key dates

The key dates in respect of the Offers are as follows.

Event	Date
Record Date	9 July 2019
Announcement of Placement and SPP and re-commencement of trading of Shares on ASX	10 July 2019
Settlement of Placement Tranche 1	11 July 2019
Issue and trading of Shares under Placement Tranche 1	19 July 2019
Dispatch of Notice of Meeting and Explanatory Statement	22 July 2019
Lodgement of Prospectus with ASIC	23 July 2019
Announcement of Prospectus	23 July 2019
SPP opens	30 July 2019
Extraordinary general meeting	19 August 2019
Settlement of Placement Tranche 2 and SPP	20 August 2019
SPP Closes Closing Date for receipt of applications for SPP Offer (but only in relation to the SPP Shortfall), Placement Offer and C-Note Offer	20 August 2019
Issue of Shares under Placement Tranche 2 and SPP and issue of Options	28 August 2019
Closing Date for receipt of applications for Options under the CPS Offer	29 August 2019
Trading of all Shares and Options (subject to ASX Listing Rules)	30 August 2019

Subject to the Corporations Act and ASX Listing Rules, the Company reserves the right to vary these times and dates (other than in respect of events that have already occurred) in its absolute discretion by sending a revised timetable to ASX. All times are AEST time.

4. Corporate directory

Directors Mr David Kaysen, Chairman and Managing Director, Chief Executive Officer Mr Peter Carlisle Lead Independent Director Dr Franklyn Prendergast Non-Executive Director The Hon. Patrick Kennedy Non-Executive Director Mr Michael Phelps Non-Executive Director Claude Solitario Non-Executive Director Melanie Leydin Director	Registered Office Level 4, 96-100 Albert Road South Melbourne, Victoria 3205 Contact number: +61 3 9692 7222
Company Secretaries Ms Melanie Leydin Mr Mathew Watkins	Australian Legal Adviser Gadens Level 25, Bourke Place 600 Bourke Street Melbourne VIC 3000
Share Registry Computershare Investor Services Pty Limited GPO Box 2975 Melbourne VIC 3001 Website: www.investorcentre.com/au	ASX Code: MEB

5. Details of the SPP Offer

5.1 SPP Offer – Eligible Shareholders

- (a) Under the SPP the Company offers to Eligible Shareholders the opportunity to purchase up to \$15,000 worth of Shares in the Company (**SPP Shares**) at an offer price of \$0.01 (one cent) per SPP Share (**Offer Price**). Eligible Shareholders who subscribe for SPP Shares are also entitled to apply for one attaching Option (**Attaching Option**) for nil consideration, on the basis of one Attaching Option for each SPP Share validly subscribed under the SPP. The SPP Offer is subject to and in accordance with the terms and conditions set out in this Prospectus.
- (b) The Offer Price is the same price at which Shares have been issued to Placement Participants. The Offer Price is a 57.6% discount to the 5 day volume weighted average price of Shares trading on ASX up to and including Thursday, 4 July 2019 (the last trading day of the Shares before announcement of the Placement).
- (c) Each Attaching Option is exercisable at \$0.03 (3 cent) each and expires on 1 December 2021. The Attaching Option holder is entitled to one Share per Attaching Option exercised. The full terms of the Attaching Option is set out in Section 8.1.
- (d) Only persons who are SPP Subscribers may participate in the SPP. If you are an Eligible Shareholder, your rights under the SPP Offer and SPP are personal to you and cannot be transferred to another person.
- (e) The Company intends to seek quotation for both the SPP Shares and the Attaching Options.
- (f) Employees of the Company who are Eligible Shareholders may participate in the SPP.
- (g) All references to \$ or dollars in this Prospectus are references to Australian dollars unless indicated otherwise.

5.2 SPP Shortfall – Eligible Shortfall Participants

- (a) Any SPP Shares (and corresponding number of Attaching Options) not taken up by Eligible Shareholders pursuant to the SPP Offer will form the SPP Shortfall.
- (b) The offer under the SPP Shortfall is made to Eligible Shortfall Participants, being CPS Capital as underwriter of the SPP Offer (**Underwriter**) and any sub-underwriters or Nominees appointed by CPS Capital.
- (c) The terms for each Shares and Options to be issued under the SPP Shortfall shall be the same on the same terms as the SPP Shares and Attaching Options offered under the SPP Offer.
- (d) The Underwriter has the right to nominate and determine who is to receive all of the Shares and Options under the SPP Shortfall.

5.3 Application to Participate

Applying for SPP Shares and free Attaching Options

- (a) Participation in the SPP by Eligible Shareholders is optional.
- (b) Eligible Shareholders may participate in the SPP by applying to purchase a parcel of SPP Shares (and free Attaching Options) in the following amounts, up to a maximum amount of \$15,000 per Eligible Shareholder:

- (i) \$1,000 (100,000 SPP Shares with 100,000 free Attaching Options);
- (ii) \$2,000 (200,000 SPP Shares with 200,000 free Attaching Options);
- (iii) \$5,000 (500,000 SPP Shares with 500,000 free Attaching Options);
- (iv) \$10,000 (1,000,000 SPP Shares with 1,000,000 free Attaching Options); or
- (v) \$15,000 (1,500,000 SPP Shares with 1,500,000 free Attaching Options).

The number of SPP Shares and free Attaching Options issued to an applicant will be rounded up to the nearest whole number after dividing the application monies by the Offer Price.

- (c) If you are an Eligible Shareholder and wish to participate in the SPP, you must either:
 - (i) make payment by BPAY® in the appropriate amount in Australian dollars using your customer reference number (which is required to identify your holding) and the biller code, both of which are set out on your personalised SPP Offer Application Form, so that payment is received by MEB's Share registry by no later than 5 pm (AEST) on Tuesday, 20 August 2019. If you make a payment by BPAY® you do not need to send your completed SPP Offer Application Form as receipt of your BPAY® payment will be taken by the Company as your application;

Or

- (ii) complete and submit your personalised SPP Offer Application Form in accordance with the instructions on it and make payment for the SPP Shares by enclosing a cheque or money order for the appropriate amount in Australian dollars made payable to "Medibio Limited" and crossed "Not Negotiable" and sending the cheque or money order with the SPP Offer Application Form:

(A) in the enclosed reply paid envelope; or

(B) by mail to

Computershare Investor Services Pty Limited, GPO Box 505
Melbourne VIC 3001

so that they are received by MEB's Share registry no later than 5pm (AEST) on Tuesday, 20 August 2019.

Receipts for payment will not be issued.

- (d) If an Eligible Shareholder has more than one holding, the Eligible Shareholder may not apply for SPP Shares with an aggregate value of more than \$15,000 under the SPP. Accordingly, an Eligible Shareholder may only make an application for the maximum amount with respect to one holding.
- (e) You should be aware that your own financial institution may implement earlier cut off times for electronic payments and you should take this into consideration when making payment of application monies via BPAY®. Your financial institution may have a set limit on the amount that you can pay via BPAY®. It is your responsibility to ensure that the amount you wish to pay via BPAY® is received by the Company's Share registry by 5pm (AEST) on Tuesday, 20 August 2019.

If you are an Eligible Shareholder and you make a payment via BPAY® you represent and warrant that the total of the application price for the following does not exceed \$15,000:

- (i) the SPP Shares the subject of your application;
- (ii) any other Shares issued to you under an arrangement similar to the SPP in the 12 months before the date of your application under the SPP (for the avoidance of doubt, an entitlement offer is not an arrangement similar to the SPP);
- (iii) any other SPP Shares which you have instructed a Custodian to acquire on your behalf under the SPP; and
- (iv) any other Shares issued to a Custodian under an arrangement similar to the SPP in the 12 months before the date of your application for SPP Shares (and Attaching Options) as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in such Shares, even though you may have received more than one offer or received offers in more than one capacity.

5.4 Company's discretion with regard to applications

- (a) The Company may accept or reject any application under the SPP, including where:
 - (i) you are not making a BPAY® payment, your SPP Offer Application Form is incorrectly completed, incomplete or the application is otherwise determined by the Company to be invalid;
 - (ii) you make your payment by cheque or money order and the cheque or money order is dishonoured or has otherwise not been completed correctly;
 - (iii) the amount of your BPAY® payment or cheque or money order is not equal to \$1,000, \$2,000, \$5,000, \$10,000 or \$15,000. If this occurs, the Company may either:
 - (A) refund in full your application monies and not allot any SPP Shares and Attaching Options to you; or
 - (B) allot you the number of SPP Shares and Attaching Options that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund to you the excess of your application monies;
 - (iv) it appears that you are applying to purchase more than \$15,000 worth of SPP Shares in aggregate (including as a result of any Shares you hold directly, jointly or through a Custodian or nominee arrangement);
 - (v) your SPP Offer Application Form, BPAY® payment or cheque or money order is received after 5pm (AEST) on Tuesday, 20 August 2019;
 - (vi) payment of the application monies is not submitted in Australian currency or, if payment is made by cheque or money order, the cheque or money order is not drawn on an Australian financial institution; or
 - (vii) the Company reasonably believes that you are not eligible to participate in the SPP (subject to compliance with any applicable ASIC or ASX requirements).

5.5 Refund

If you are entitled to a refund of all or any of your application monies the refund will be paid to you, without interest, as soon as is practicable:

- (b) by direct credit to your nominated bank account (as recorded by the Company's Share registry) or cheque; or
- (c) by returning your SPP Offer Application Form and cheque or money order, if not processed, to your registered address as recorded in the Company's register of members.

5.6 Effect of making an application

If you submit a BPAY® payment or complete and return a SPP Offer Application Form together with a cheque or money order:

- (a) you warrant that you are an Eligible Shareholder and are eligible to participate in the SPP;
- (b) you are deemed to have accepted the SPP Offer and you irrevocably and unconditionally acknowledge and agree to the terms and conditions of the SPP and the terms of the SPP Offer Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
- (c) you acknowledge that your application will be irrevocable and unconditional;
- (d) you agree to pay the Offer Price per SPP Share up to the maximum of:
 - (i) the value you have selected on the SPP Offer Application Form; or
 - (ii) the maximum value of your BPAY® payment or cheque or money order;
- (e) you certify and represent to the Company that you have not directly or indirectly, including through a Custodian, applied for more than \$15,000 worth of SPP Shares;
- (f) you certify that the total of the application price for the following does not exceed \$15,000:
 - (i) the SPP Shares the subject of your application;
 - (ii) any other Shares issued to you under an arrangement similar to the SPP in the 12 months before the date of your application under the SPP (for the avoidance of doubt an arrangement similar to the SPP does not include an entitlement offer);
 - (iii) any other SPP Shares which you have instructed a Custodian to acquire on your behalf under the SPP; and
 - (iv) any other Shares issued to a Custodian under an arrangement similar to the SPP in the 12 months before the date of your application for SPP Shares as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in such Shares, even though you may have received more than one offer or received offers in more than one capacity;
- (g) you accept the risk associated with any refund that may be sent to your address (as shown on the Company's register of members) or to your nominated bank account (as recorded by Company's Share registry);

- (h) you acknowledge that no interest will be paid on any application monies held pending the allotment of SPP Shares and Attaching Options or subsequently refunded to you for any reason;
- (i) you acknowledge that neither the Company nor its Share registry has provided any investment advice or financial product advice and that neither of them has any obligation to provide this advice in relation to your consideration as to whether or not to participate in the SPP;
- (j) you acknowledge that the Company (and each of its officers and agents) is not liable for any consequences of the exercise or non-exercise of its discretions referred to in these terms and conditions of this Prospectus;
- (k) you acknowledge that the SPP Shares and Attaching Options to be issued under the SPP have not, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction outside Australia and, accordingly, the SPP Shares and Attaching Options to be issued under the SPP may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws;
- (l) you agree not to send this Prospectus or any other material relating to the SPP to any person in the United States or any other country outside Australia, New Zealand and Hong Kong;
- (m) you agree to be bound by the Company's constitution;
- (n) you authorise the Company (and each of its officers and agents) to correct any error in, or omission from, the SPP Offer Application Form and complete the SPP Offer Application Form by inserting any missing details;
- (o) you acknowledge that the Company may at any time irrevocably determine that your application is valid, in accordance with the terms and conditions of the SPP, even if the SPP Offer Application Form is incomplete, contains errors or is otherwise defective; and
- (p) you are responsible for any dishonour fees or other costs the Company may incur in presenting a cheque that is dishonoured.

5.7 Scale-back and increase in SPP Offer size

- (a) The Company may in its discretion undertake a scale-back to the extent and in the manner it sees fit.
- (b) If there is a scale-back you may receive less than the parcel of SPP Shares and Attaching Options for which you have applied.
- (c) If a scale-back produces a fractional number of SPP Shares and Attaching Options when applied to your parcel, the number of SPP Shares and Attaching Options you will be allotted will be rounded up to the nearest whole number of SPP Shares and Attaching Options.
- (d) If there is a scale-back, the difference between the application monies received from you, and the number of SPP Shares allocated to you multiplied by the Offer Price, will be refunded to you in accordance with clause 5.5.
- (e) While the Company is seeking to raise \$520,000 under the SPP, the Company reserves the absolute discretion to raise more than or less than this amount.

5.8 The SPP Shares

- (a) SPP Shares issued under the SPP and SPP Shortfall will rank equally in all respects with existing Shares quoted on the ASX, with the same voting rights, dividend rights and other entitlements (other than the right to subscribe for free Attaching Options on a 1:1 basis, which right will have expired at the point of issue of SPP Shares).
- (b) The Company will apply for the SPP Shares issued under the SPP and the SPP Shortfall to be quoted on the ASX.

5.9 The Attaching Options

- (a) Attaching Options issued under the SPP and SPP Shortfall will rank equally in all respects with all Options offered under the Offers, the terms of which are set out in Section 8.1.
- (b) All Shares issued upon exercise of the Options (including the Attaching Options issued under the SPP and the SPP Shortfall) will rank equally in all respects with existing Shares at the date of exercise.
- (c) The Company will apply for all Options issued under the Offers (including the Attaching Options issued under the SPP and the SPP Shortfall) to be quoted on the ASX.

5.10 No transaction costs

Eligible Shareholders who participate in the SPP will not pay any brokerage, commissions or other transaction costs in respect of the issue and allotment of SPP Shares and Attaching Options.

5.11 Timetable

- (a) Subject to clause 5.11(b), the timetable for the key events relating to the SPP and SPP Shortfall is as set out in the Section 3, Key Dates section of this Prospectus ('**Timetable**').
- (b) The Company may, at its discretion, vary any of the dates in the Timetable or in these terms and conditions in accordance with the Corporations Act and ASX Listing Rules.

5.12 Conditional on Shareholder approval

The SPP Offer is conditional on Shareholder approval at the EGM for the purposes of issuing the SPP Shares and Attaching Options outside of the Company's available placement capacity under ASX Listing Rule 7.1.

If Shareholder approval is not received, no SPP Shares or Attaching Options will be issued to Eligible Shareholders that have applied under the SPP and all funds received by the Company under the SPP Offer will be refunded to applicants without interest.

5.13 ASX quotation

Whilst the Company will apply for quotation of the SPP Shares and Attaching Options on ASX within seven days of the date of the Prospectus, in the event that quotation of the SPP Shares and Attaching Options are not granted by ASX within three months of the date of the Prospectus (or any further extension in reliance on ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70 which will include withdraw rights to investors) then any issue of SPP Shares and Attaching Options will be void and

the Company will refund all application monies to investors under the SPP Offer without interest.

Quotation of the Attaching Options on ASX is dependent on the satisfaction of ASX Listing Rule 2.5, condition 6, which requires that there are at least 100,000 Options (which includes the Attaching Options) on issue and 50 holders of Options with a marketable parcel (excluding restricted securities). As at the date of this Prospectus, the Company cannot guarantee that the quotation condition will be satisfied. If this condition is not satisfied, any issue of SPP Shares and Attaching Options will be void and the Company will refund all application monies to investors under the SPP Offer without interest.

The fact that ASX may grant official quotation to the SPP Shares and Attaching Options is not to be taken in any way as an indication of the merits of the Company or the SPP Shares and Attaching Options.

5.14 Allotment and holding statements

The Company anticipates issuing the SPP Shares and free Attaching Options subscribed for under the SPP Offer on 28 August 2019.

Holding statements for SPP Shares and Attaching Options granted under the SPP Offer and SPP Shortfall will be mailed as soon as reasonably practicable after the SPP Shares and Attaching Options are allotted.

5.15 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share or option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Instead of Share and Option certificates, investors will be provided with a holding statement that sets out the number of Shares and Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number.

5.16 Dispute resolution

The Company may settle in any manner it thinks fit, any difficulties, anomalies or disputes that may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant or application. Any determinations by the Company will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. The Company's rights may be exercised by its board or any delegate of the board.

5.17 Variation, suspension and termination

- (a) The Company may at its discretion and at any time:
 - (i) vary, suspend or terminate the SPP. If the Company does this, it will make an announcement to the ASX (in addition to any other requirements under the Corporations Act). Failure to notify Shareholders of variations to or the suspension or termination of the SPP will not invalidate the variation, suspension or termination; or
 - (ii) to the extent permitted by law, waive compliance with any provision of the SPP or these terms and conditions.

- (b) The Company reserves the right to issue no SPP Shares and Attaching Options under the SPP or fewer SPP Shares and Attaching Options under the SPP than applied for under the SPP at its complete discretion, including if the Company believes the issue of those SPP Shares and Attaching Options would contravene ASIC requirements or policy, any law or any ASX Listing Rule.

5.18 Underwriting

The SPP Shares and free Attaching Options to be issued under the SPP is underwritten by CPS Capital up to an amount of \$520,000. Accordingly, if no subscriptions are received for SPP Shares under the SPP, CPS Capital will be required to subscribe for \$520,000 worth of SPP Shares (with free Attaching Options), subject to approval at the EGM. Likewise, if subscriptions are received for \$520,000 worth of SPP Shares under the SPP, CPS will not have any obligation to subscribe for SPP Shares.

Details of the underwriting agreement are set out in Section 10.3.

5.19 Enquiries

Any questions concerning the Offers should be directed to the Company on +61 3 9692 7222 from 9am to 5pm (AEST), Monday to Friday.

6. Details of the Other Offers

6.1 Background

As announced on 10 July 2019, in addition to the SPP Offer the Company is undertaking the following transactions as part of its capital raising:

- (a) a Placement to Placement Participants to raise approximately \$3.5 million through the issue of 350,000,000 Shares at \$0.01 (1 cent) per Share and 350,000,000 free attaching Options. The offer of these Options are made under the Placement Offer under the Prospectus;
- (b) the conversion of the Company's 137,666,520 Convertible Notes currently on issue (each with a face value of \$0.02 per Note) into 275,333,040 Conversion Shares with an issue price of \$0.01 (1 cent) per Share, together with 275,333,040 free attaching Option offered on the basis of 1 Option for each Conversion Share issued (**Conversion**). The offer of these Options are made under the C-Note Offer under the Prospectus; and
- (c) an offer of up to 90,000,000 Options to CPS Capital at an issue price of \$0.00001 (0.001 cent) per Option, provided in connection with the Company's capital raising. The total number of Options to which CPS Capital is entitled is calculated on a pro-rata basis proportionate to the amount of Shares and Options issued to Placement Participants that are procured by CPS Capital as lead manager to the Placement. The offer of these Options are made under the CPS Offer under the Prospectus.

The Options offered under the Placement Offer, C-Note Offer and CPS Offer (collectively the "**Other Offers**") are on the same terms as the Attaching Options offered under the SPP Offer and are exercisable at \$0.03 each and expiring on 1 December 2021. The full terms of all Options offered under this Prospectus are set out in 8.1.

6.2 Placement Offer

- (a) Investors under the Placement (**Placement Participants**) are offered, subject to Shareholder approval, one Option, for nil consideration, for every Share validly subscribed by each Placement Participant under the Placement.
- (b) The maximum number of Options offered to Placement Participants under the Placement Offer is 350,000,000 Options.

6.3 C-Note Offer

- (a) Note Holders under the Conversion are offered, subject to Shareholder approval, one Option for nil consideration, for every Share to be issued to each Note Holder under the Conversion.
- (b) The maximum number of Options offered to Note Holders under the C-Note Offer is 275,333,040 Options.

6.4 CPS Offer

- (a) CPS Capital is offered, subject to Shareholder approval, up to a maximum of 90,000,000 Options for the price of \$0.00001 (0.001 cent) per Option.
- (b) The final number of Options the Company will agree to grant to CPS will be calculated based on the proportion up to \$3 million of the \$3.5 million raised under the Placement that was raised from investors procured by CPS Capital as lead manager to the Placement.

6.5 Conditional Offers

Each of the Other Offers are conditional on Shareholder approval at the EGM for the purposes of the Company issuing securities outside of its placement capacity pursuant to ASX Listing Rule 7.1. If Shareholder approval is not received, none of the Options under the Other Offers will be issued under this Prospectus.

However, and subject to the Company's available placement capacity under ASX Listing Rule 7.1, the Company reserves its right to issue Options to certain applicants on the basis that the Corporations Act allows such offers to be made to those applicants without a disclosure document (such as a prospectus).

6.6 Ranking of Shares on exercise of Options

All of the Shares issued upon the future exercise of the Options offered under this Prospectus will rank equally with the Shares on issue at the date exercise. Please refer to Section 8.2 for further information regarding the rights and liabilities attaching to the Shares.

6.7 Minimum and maximum subscription

- (a) There is no minimum subscription under any of the Other Offers.
- (b) Other than in respect of the CPS Offer, no person may apply for (and the Company will not issue) Options under any of the Other Offers in excess of the number of Shares validly subscribed for in the accompanying offer of Shares.

6.8 Consideration payable

- (a) The Options are offered to the Placement Participants and Note Holders for nil cash consideration.
- (b) The Options are offered to CPS Capital or their nominees for \$0.00001 (0.001 cent) per Option.
- (c) The Other Offers are non-renounceable. Accordingly, Placement Participants, Note Holders and CPS Capital or their nominees may not sell or transfer all or part of their entitlement to subscribe for Options.

6.9 Offer Period

Each of the Other Offers open on the date of this Prospectus (**Opening Date**).

Applications for Options under:

- (a) the Other Offers, except for the CPS Offer, closes at 5pm (AEST) on Tuesday, 20 August 2019 (ie, at the same time as the SPP Offer closes); and
- (b) the CPS Offer will close at 5pm (AEST) on Thursday, 29 August 2019;

(Closing Date);

The Opening Date and Closing Dates for the Other Offers are indicative only and subject to change without notice. The Company may vary these dates, including to close the Offers early or extend the Closing Dates, at any time prior to the issue of Options.

If any of the dates are changed, subsequent dates may also change. You are encouraged to lodge your Application Form as soon as possible after the Opening Date.

6.10 How to apply for Options

If you are eligible to subscribe for Options pursuant to the Other Offers and wish to subscribe, please complete:

- (a) a Placement Offer Application Form if you are a Placement Participant;
- (b) a C-Note Offer Application Form if you are a Note Holder; or
- (c) a CPS Offer Application Form if you are CPS Capital or their nominee.

If the number Options subscribed for is more than the number of Options to which you are entitled under the Other Offers, the Company will only accept in respect of the lesser number of Options to which you are entitled. Once an application has been made it cannot be revoked. No notice of acceptance of an application will be provided.

Completed Application Forms must be received, in accordance with the instructions on the relevant Application Form, by no later than the applicable Closing Date in respect of each respective Other Offer.

6.11 Withdrawal

Subject to the Corporations Act, the ASX Listing Rules and any other requirements of ASX or the law, the Directors may decide to withdraw this Prospectus and the Other Offers at any time prior to the allotment of Options or to waive strict compliance with any provision of the terms and conditions of the Other Offers.

6.12 Underwriting

The Other Offers are not underwritten.

6.13 ASX quotation

Whilst the Company will apply for quotation of the Options on ASX within seven days of the date of the Prospectus, in the event that quotation of the Options are not granted by ASX within three months of the date of the Prospectus (or any further extension in reliance on ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70 which will include withdraw rights to investors) then any issue of Options under the Other Offers will be void and the Company will refund all application monies (if any) without interest.

Quotation of the Options on ASX is dependent on the satisfaction of ASX Listing Rule 2.5, condition 6, which requires that there are at least 100,000 Options on issue and 50 holders of Options with a marketable parcel (excluding restricted securities). As at the date of this Prospectus, the Company cannot guarantee that the quotation condition will be satisfied. If this condition is not satisfied, any issue of Options to applicants under the Other Offers will be void and the Company will have their application monies (if any) refunded without interest.

For the avoidance of doubt, any withdraw right referred in this Section 6.13 will only be in relation to applications for Options under this Prospectus and not for any other applications such as those for Shares under the Placement nor any agreements for early conversion of Convertible Notes under the Conversion.

The fact that ASX may grant official quotation to the Options is not to be taken in any way as an indication of the merits of the Company or the Options.

6.14 Allotment and holding statements

The Company anticipates issuing the Options subscribed for under the Other Offers on 28 August 2019, at the same time as it completes the issue of SPP Shares and Attaching Options under the SPP and SPP Shortfall.

Holding statements for Options granted under the Other Offers will be mailed as soon as reasonably practicable after the Options are granted.

6.15 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Instead of Option certificates, investors will be provided with a holding statement that sets out the number of Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number.

6.16 Enquiries

Any questions concerning the Offers should be directed to the Company on +61 3 9692 7222, from 9am to 5pm (AEST), Monday to Friday.

7. Purpose and effect of the Offers

7.1 Purpose of the Offer

The purpose of the SPP Offer is to provide Eligible Shareholders the opportunity to subscribe for up to \$15,000 of SPP Shares and free Attaching Options on the same subscription price and terms as those offered to Placement Participants under the Placement and to Note Holders under the Conversion.

A total of \$520,000 will be raised from the SPP Offer (which includes any SPP Shortfall subscribed by the Underwriter), the proceeds of which, together with the \$3.5 million to be raised under the Placement, will be used to progress commercialising the Company's ilumen™ product into different markets, finalise its revised CE mark and file its new De Novo application with the FDA. The additional working capital will enable the continued growth of the Company's current products alongside its future products.

A maximum of \$900 will be raised from the CPS Offer and no funds will be raised from the Placement Offer or the C-Note Offer. However, the purpose of making the Other Offers in this Prospectus is to ensure there are no on-sale restrictions in relation to the Options which may hinder the Company's application for Official Quotation of the Options on the ASX.

7.2 Effect of the Offer

The principal effect of the Offers, assuming all SPP Shares and Options (including Attaching Options) offered under this Prospectus are subscribed for and granted, will be to issue a total of:

- (a) 52,000,000 SPP Shares; and
- (b) 767,333,040 Options.

See Section 7.4 for further details on the effect of the Offers on the capital structure of the Company which also includes the effect of the Shares issued under the Placement and Conversion.

7.3 Pro-forma Balance Sheet

The reviewed balance sheet for the Company as at 31 December 2018, as per the half yearly report for the part financial year (1 July 2018 to 31 December 2018), and the unaudited and unreviewed pro-forma balance sheet shown below, have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared on the basis of the following key assumptions (as if they had occurred as at the balance date of 31 December 2018):

- (a) an amount of \$3,500,000 is successfully raised under the Placement
- (b) an amount of \$520,000 is raised under the SPP;
- (c) an amount of \$900 is raised under the CPS Offer;
- (d) the Conversion occurs;
- (e) all Options (including Attaching Options) offered under the Prospectus are subscribed for and granted; and

- (f) all of the resolutions at the EGM in connection with the Company's issue of Shares and Options under the SPP Offer, Placement Offer, C-Note Offer, and the CPS Offer are approved by Shareholders.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	31 December 2018 (Reviewed) (\$)	Pro forma adjustments (\$)	31 December 2018 (Pro forma)(\$)
Current Assets			
Cash and cash equivalents	2,150,793	4,020,900 (Note 1)	6,171,693
Trade and other receivables	1,451,178		1,451,178
Prepayments	142,539		142,539
Total Current Assets	3,744,510		7,765,410
Non-Current Assets			
Other assets	111,751		111,751
Intangible assets	11,093,336		11,093,336
Total Non-Current Assets	11,205,087		11,205,087
Total Assets	14,949,597		18,970,497
Current Liabilities			
Trade and other payables	4,116,309	364,200] (Note 2)	4,480,509
Borrowings	120,000		120,000
Employee Liabilities	154,031		154,031
Total Current Liabilities	4,390,340		4,754,540

	31 December 2018 (Reviewed) (\$)	Pro forma adjustments (\$)	31 December 2018 (Pro forma)(\$)
Non-current Liabilities			
Borrowings	550,248	(550,248) (Note 3)	0
Total Non-Current Liabilities	550,248	(550,248)	0
Net Assets	10,009,009		14,215,957
Equity			
Issued and paid up capital	83,642,250	3,174,648	86,816,898
Reserves	4,266,343	1,032,300 (Note 4)	5,298,643
Accumulated losses	(77,899,584)		(77,899,584)
Total Equity	10,009,009		14,215,957

Note 1:

This assumes \$3,500,000 raised under the Placement, \$520,000 raised under the SPP Offer, and \$900 raised under the CPS Offer.

Note 2:

This is an estimate of the costs of the capital raise, which includes legal fees, share registry fees and ASIC/ASX fees.

Note 3:

As at 31 December 2018, the Company had on issue its first tranche (of two) Convertible Notes, which as at 31 December 2018 had \$550,248 owing to Note Holders. The remaining liability was incurred on 31 January 2019 when the Company issued its second tranche of Convertible Notes. Although the total value of Convertible Notes to be converted into Shares and Options will be approximately \$2.75 million (assuming Shareholders approval at the EGM), for the purposes of the pro forma balance sheet only the conversion of Convertible Notes on issue as at 31 December 2018 has been reflected.

Note 4:

Represents the 90,000,000 Options to CPS Capital at an issue price of \$0.00001 (0.001 cent) per Option, provided in connection with the Company's capital raising. The value has been calculated using the Black Scholes method using a volatility of 152% on the assumption that the entire 90,000,000 Options are granted to CPS. Note that the value is subject to change pending the valuation inputs including timing of issue.

7.4 Effect on Capital Structure – Additional Shares and Options

Assuming the requisite Shareholder approvals are obtained at the EGM and completion of the Placement and Conversion, and assuming full subscription of the Offers, the Company will have the following additional Shares and Options on issue:

- (a) 350,000,000 Shares and 350,000,000 Options due to completion of the Placement and Placement Offer;
- (b) 275,333,040 Shares and 275,333,040 Options due to completion of the Conversion and the C-Note Offer;

- (c) 52,000,000 Shares and 52,000,000 Options due to completion of the SPP Offer;
and
- (d) 90,000,000 Options due to completion under the CPS Offer.

7.5 Effect on Capital Structure – Total Securities on Issue

The table below sets out the capital structure of the Company upon completion of the Offers (and assuming Shareholder approval is obtained for the Offers):

Shares (fully paid)	926,134,539
Partly paid shares	4,650,000
Options offered under the Prospectus	767,333,040
Other options on issue	48,987,113
Convertible Notes	Nil
Total number of Shares on a fully diluted basis (ie: assuming all options on issue are exercised)	1,747,104,692

8. Rights and liabilities attaching to securities

8.1 Terms of Options

The Options (including the Attaching Options) to be issued under this Prospectus entitle the holder to subscribe for Shares on the following terms and conditions.

(a) Entitlement

- (i) Each Option entitles the Option holder to subscribe for, and be allotted, one Share.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

(b) Exercise of Option

- (i) The Options are exercisable at any time from the issue date.
- (ii) The final date and time for exercise of the Options is 5pm (AEDT) on 1 December 2021. If such date falls on a day that is not a Business Day, the final date will be the next Business Day.
- (iii) The exercise price per option will be \$0.03 (3 cents).
- (iv) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company's Share Registry. Unless a holder is exercising all of their Options, Options must be exercised in parcels of not less than 1,000.
- (v) The Options cannot be exercised if, as a result of the exercise, the Optionholder or any of its associates would breach the provisions of Chapter 6 (and specifically section 606) of the Corporations Act.
- (vi) Remittances must be made payable to 'Medibio Limited' and cheques should be crossed 'Not Negotiable'.
- (vii) All Options will lapse on the earlier of the:
 - (A) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Option; and
 - (B) expiry of the final date and time for exercise of the Option.
- (viii) In the event of liquidation of the Company, all unexercised Options will lapse.

(c) Quotation

- (i) Subject to meeting the requirements of the ASX Listing Rules and the Corporations Act, the Company intends to apply to the ASX for Official Quotation of the Options but makes no guarantee that it will make any such application, or that if an application for Official Quotation is made that it will be successful.

- (ii) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 10 Business Days (as defined in the ASX Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

(d) **Participation in Securities Issues**

Subject to paragraph (e) below, the holder is not entitled to participate in new issues of securities without exercising the Options.

(e) **Participation in a Reorganisation of Capital**

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the ASX Listing Rules applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation as referred to in paragraph (e)(i), Options will be treated in the following manner:
 - (A) in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (B) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (C) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
 - (D) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
 - (E) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
 - (F) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders.

(f) **Adjustments to Options and Exercise Price**

- (i) Adjustments to the number of Shares over which Options exist and/or the exercise price may be made as described in paragraph (f)(ii) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- (ii) The method of adjustment for the purpose of paragraph (f)(i) shall be in accordance with the ASX Listing Rules from time to time, which, under ASX Listing Rules 6.22.2 and 6.22.3, currently provide:

Pro Rata Cash Issues

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of an Option may be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

where:

O' = the new exercise price of the Option.

O = the old exercise price of the Option.

E = the number of underlying securities into which one Option is Exercisable.

P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex-rights date or ex entitlements date.

S = the subscription price for a security under the pro-rata issue.

D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

Pro-Rata Bonus Issues

If there is a bonus issue to the holders of the underlying securities, on the exercise of any Options, the number of Shares received will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price will not change.

8.2 Shares

A summary of the key rights attaching to the Shares is set out below. The provisions of the Constitution relating to the rights attaching to the Shares must be read subject to the Corporations Act, the ASX Listing Rules and ASX Settlement Operating Rules. This summary is not intended to be exhaustive and does not constitute a definitive statement of the rights, liabilities and restrictions attaching to the Shares.

(a) **General meetings**

Each shareholder has the right to receive notice of and to attend all general meetings of the Company whether or not entitled to vote.

(b) **Voting rights**

At a general meeting, each shareholder in person or by proxy, attorney or representative is entitled to one vote on a show of hands.

On a poll, every member present will, in respect of each fully paid Share held by them, have one vote for the Share.

(c) **Dividend rights and dividend policy**

Subject to the Corporations Act, the Company's constitution and the terms of issue of shares, the Directors may pay any dividend it thinks appropriate and fix the time for payment.

(d) **Rights on winding-up**

In winding up, the liquidator may, with the sanction of a special resolution divide the assets of the Company among the shareholders and decide how the division may be carried out between shareholders and different classes of shareholders.

(e) **Offer of shares**

Subject to the Corporations Act, the ASX Listing Rules and the Company's constitution, the directors may issue, grant options over or otherwise dispose of unissued shares, to any person on the terms, with the rights, and at the times that the Board decides.

(f) **Variation of rights**

If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (subject to the Corporations Act, the terms of issue of shares and the rights attached to a class of shares are not treated as varied by the issue of further shares of that class) may be varied or cancelled with the consent in writing of the holders of a majority of the issued shares of that class, or if authorised by an ordinary resolution passed at a meeting of the holders of the shares of the class.

(g) **Constitution**

A summary of the key provisions of the Constitution is set out below.

(i) **Transfer of Shares**

Subject to the Constitution, a Shareholder may transfer any of the Shareholder's Shares by way of:

- (A) a market transfer whereby the Company may do anything permitted by the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules that the Directors consider necessary for the Company's participation in a computerised or electronic system for the purpose of facilitating dealings in shares; or
- (B) by written document transfer.

The Directors may decline to register a transfer of Shares in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules:

- (A) subject to section 259C of the Corporations Act, if the transfer is to a subsidiary of the Company; and
- (B) if the transfer does not comply with the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules.

(ii) **Quorum at general meetings**

A quorum at a general meeting consists of two voting Shareholders present.

(iii) **Chairman- Meeting of Members**

In the case of an equality of votes at a meeting of members:

- (A) if the chairman of the meeting is not (or if the chairman were a member would not be) entitled to vote, the matter is decided in the negative; and
- (B) otherwise the chairman has a casting vote whether or not the chairman is a member

the chairman has discretion both as to the use of the casting vote and as to the way in which it is used.

(iv) **Directors – appointment and removal**

Subject to the Constitution, and the number of Directors fixed under the Constitution not being exceeded, the Company may appoint Directors by ordinary resolution.

(v) **Remuneration of Directors**

Subject to any contract with the Company and to the ASX Listing Rules, the Board may fix the remuneration paid to each executive Director. Directors, other than executive Directors, are entitled to be paid out of the funds of the Company an amount that does not any year exceed in aggregate the amount last fixed by ordinary resolution and allocated among them on an equal basis.

(vi) **Dividends**

Subject to section 254T the Corporations Act, the Directors may declare and authorise the distribution, from the profits of the Company, of dividends to be distributed to Shareholders according to their rights and interests.

9. Risk factors

The business activities of the Company are subject to risks and there are many risks which may impact on the Company's future performance. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but many are outside of the control of the Company and cannot be mitigated. There are also general risks associated with any investment. Investors should consider all of these risks before they make a decision whether or not to acquire SPP Shares or acquire and exercise Options (including the Attaching Options).

The SPP Shares and Options (including the Attaching Options) offered under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding to apply for the SPP Shares and Options pursuant to this Prospectus.

The principal risk factors include, but are not limited to, the following.

9.1 Company-specific risk

(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. The Company'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 the Company is targeting. The Company may face competition from parties who have substantially greater resources.

(b) Regulatory approvals and investigations

The research, development, manufacture, marketing and sale of products using the Company's technology are subject to varying degrees of regulation by a number of government authorities in Australia and overseas. Specifically, the Company will be submitting a De Novo application to the U.S. Food and Drug Administration (**FDA**) in late 2019 or early 2020. The FDA will review that application and determine if it is appropriate to clear that application for marketing in the US.

Other than regulatory approvals for applications made by the Company, the Company may also become subject to regulatory investigations by any one or more regulatory bodies for current or historical actions by the Company. Depending on the outcome of regulatory investigations, the Company 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.

(c) Commercialisation of products and potential market failure

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

The Company 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**

The Company depends on the talent and experience of its personnel as its primary asset. There may be a negative impact on the Company 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 the Company who leave to work for a competitor may adversely impact the Company.

In summary, the Company'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 the Company.

(e) **Requirement to raise additional funds**

The Company 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 the Company is unsuccessful in obtaining funds when they are required, the Company may need to delay or scale down its operations.

(f) **Partly paid shares**

The Company currently has 4,650,000 partly paid shares on issue of which \$0.01 (1 cent) was to be paid on issue with \$0.29 (29 cents) subject to a subsequent call. None of these amounts have been paid. Given the share price as at the last trading date prior to the announcement of the Placement and SPP was \$[0.019] (0.19 cents), the Company is exposed to the 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, financial capacity of at least some of the holders to pay and the likely substantial costs of enforcement.

(g) **Research & Development Grant (Commonwealth)**

The Company 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 the Company 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**

The Company'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 the Company may incur substantial costs in asserting or defending its intellectual property rights.

(j) **Risk of delay and continuity of operations**

The Company 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 the Company.

(k) **Liability claims**

The Company may be exposed to liability claims if its services are provided in fault and/or cause harm to its customers. As a result, the Company may have to expend significant financial and managerial resources to defend such claims. If a successful claim is made against the Company, 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.

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

(l) **Contractual risks**

As a party to contracts, the Company will have various contractual rights in the event of noncompliance by a contracting party. However, no assurance can be given that all contracts will be fully performed by all contracting parties and that the Company will be successful in securing compliance with the terms of each contract by the relevant third party.

(m) **Exchange rate risk**

The expenditure of the Company is and will be in Australian and United States currencies, exposing the Company to fluctuations and volatility of the rates of exchange between the Australian dollar and the United States dollar as determined in international markets.

9.2 **General risks**

(a) **Options**

The Options may not be quoted on ASX (refer to Section 6.13 for further details). If the Options are not quoted on ASX there will be no secondary market for the Options. This may adversely affect the Option holder's ability to sell their Options at a desired price, if at all.

(b) **Economic**

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

(c) **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 the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

(d) **Global credit 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 the Company 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 the Company's securities trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

(e) **Exchange rate risk**

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

(f) **Unforeseen risk**

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

(g) **Combination of risk**

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

(h) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any additional expenditure requirements other than those announced on the ASX and disclosed in this Prospectus, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(i) **Market conditions**

Equities market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Equities market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and biotechnology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(j) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offers. Any

additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and may be prevented from progressing the commercialisation of its products. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(k) **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus.

Therefore, the SPP Shares and Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

10. Additional information

10.1 Litigation

With the exception of the dispute relating to a joint venture (announced on ASX on 17 June 2019), as at the date of this Prospectus the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company which are likely to have a material adverse effect on the business or financial position of the Company.

Since announcing the joint venture dispute, the Company has filed a notice of appearance with the Supreme Court of Western Australia. The matter has been set down for a case management conference which is due to be heard on Tuesday, 6 August 2019.

10.2 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a 'transaction specific prospectus'. In general terms a 'transaction specific prospectus' is only required to contain information in relation to the effect of the issue of securities on a Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing Company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been provided to ASX and does not include all of the information that would be included in a Prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with ASIC, being the financial report for the year ending 30 June 2018;
 - (ii) half-year financial report lodged by the Company with ASIC on 31 December 2018; and
 - (iii) any continuous disclosure documents given by the Company to ASX after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest full year statutory accounts and before the lodgement of this Prospectus with ASIC are set out in the table below.

July 2019	
22nd	<u>Notice of Extraordinary General Meeting/Proxy Form</u>
19th	<u>Section 708A Notice and Appendix 3B</u>
10th	<u>Reinstatement to Official Quotation</u>
10th	<u>MEB Raises \$4.02m via Placement and Fully Underwritten SPP</u>
9th	<u>Suspension from Official Quotation</u>
4th	<u>Trading Halt</u>
1st	<u>MEB Signs Compass Group to ilumen</u>
June 2019	
20th	<u>Algorithm Validated and Published in Peer Review Journal</u>
18th	<u>Change of Director's Interest Notice x5</u>
17th	<u>Joint Venture Dispute</u>
13th	<u>Appendix 3B</u>
May 2019	
27th	<u>Investor Update</u>
21st	<u>Response to Appendix 4C Query</u>
15th	<u>Results of General Meeting</u>
7th	<u>Investor Presentation - May 2019</u>
April 2019	
30th	<u>Medibio Quarterly Update and Cashflow Report</u>
30th	<u>Regulatory and Commercialisation Strategy Update</u>
17th	<u>Sponsored Research Agreement with Humanitas University</u>
12th	<u>Notice of General Meeting/Proxy Form</u>
March 2019	
22nd	<u>Investor Presentation</u>
21st	<u>Medibio Limited Shareholder Update and Outlook</u>
19th	<u>Change in substantial holding</u>
18th	<u>Ceasing to be a substantial holder</u>
14th	<u>MEB Announces Completion of Entitlement Issue</u>
14th	<u>MEB Outsources Psychology Services in support of ilumen</u>
12th	<u>Entitlement Issue Results and Shortfall Notification</u>
7th	<u>Ilumen Successfully Completes First Commercial Program</u>
February 2019	
28th	<u>Half Yearly Report and Accounts</u>
26th	<u>Extension to Entitlement Offer - Correction</u>
25th	<u>Medibio Announces Extension to Entitlement Offer</u>
22nd	<u>Initial Director's Interest Notice - M Leydin</u>
22nd	<u>Final Director's Interest Notice - A Maxwell</u>
22nd	<u>Changes to the Board of Directors & Appointment of Chairman</u>
14th	<u>Investor Presentation - February 2019</u>
4th	<u>Extension of Entitlement Offer</u>
January 2019	
31st	<u>Medibio Quarterly Update and Cashflow Report</u>
31st	<u>Cleansing Notice and Appendix 3B</u>
21st	<u>Results of General Meeting</u>
7th	<u>Addendum to Notice of General Meeting</u>
4th	<u>Initial Director's Interest Notice</u>

4th	<u>Final Director's Interest Notice</u>
December 2018	
24th	<u>Medibio announces board changes and cost reduction plans</u>
21st	<u>Notice of General Meeting/Proxy Form</u>
18th	<u>Entitlement Offer Booklet</u>
18th	<u>Cleansing Notice and Appendix 3B</u>
11th	<u>Letter to Ineligible Shareholders - Entitlement Offer</u>
11th	<u>Letter to Shareholders - Entitlement Offer</u>
10th	<u>Notification of Pro-Rata Non-Renounceable Entitlement Issue</u>
10th	<u>Section 708AA(2)(F) Cleansing Statement and Appendix 3B</u>
10th	<u>Investor Presentation</u>
10th	<u>Converting Note & Non-Renounceable Entitlement Offer</u>
6th	<u>Trading Halt</u>
6th	<u>Pause in Trading</u>
November 2018	
28th	<u>Investor Presentation</u>
27th	<u>Exclusive Agreement Signed for ilumen Pilot Program</u>
16th	<u>Appointment of Joint Company Secretary</u>
16th	<u>Results of Annual General Meeting</u>
16th	<u>Chairman's Address to Shareholders</u>
15th	<u>Response to ASX Appendix 4C Query</u>
14th	<u>Change of Director's Interest Notice</u>
9th	<u>Medibio Provides Update on FDA Process</u>
8th	<u>Change of Director's Interest Notice x2</u>
8th	<u>Initial Director's Interest Notice</u>
2nd	<u>Medibio Appoints CEO and Managing Director</u>
2nd	<u>Medibio Market Update</u>
October 2018	
30th	<u>Medibio Quarterly Update and Cashflow Report</u>
24th	<u>MEB Signs ilumen Contract with Large Australian Employer</u>
16th	<u>Notice of Annual General Meeting/Proxy Form</u>
15th	<u>Receipt of R&D Tax Incentive Refund</u>
8th	<u>MEB Presentations - Mayo Clinic Convergence Neuroscience</u>
5th	<u>Investor Presentation</u>
3rd	<u>Medibio Releases Corporate Health Product, ilumen</u>
2nd	<u>Notice of Initial Substantial Holder</u>
1st	<u>Notice Received Under Section 249D of the Corporations Act</u>
September 2018	
27th	<u>Annual Report to shareholders</u>
21st	<u>Final Director's Interest Notice</u>
21st	<u>Executive Leadership Changes</u>
14th	<u>Appendix 4G & Corporate Governance Statement</u>

The announcements are also available through the Company's website
www.medibio.com.au

10.3 Underwriting Agreement

The Company and CPS Capital (**Underwriter**) have entered into an Underwriting Agreement dated 10 July 2019, pursuant to which the Underwriter has agreed to underwrite the SPP Offer up to a maximum of \$520,000 in SPP Shortfall by subscribing for up to 52,000,000 SPP Shares at \$0.01 (1 cent) per Share (**Shortfall Shares**). The Underwriter is entitled to one free Attaching Option for each Shortfall Share validly subscribed. The following is a summary of the principal provisions of the Underwriting Agreement.

(a) **Fees and expenses**

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter:

- (i) a management fee of \$20,000; and
- (ii) an underwriting fee of 6% of the Underwritten Amount. All third party selling and / or sub-underwriting fees will be paid by the Underwriter from this fee.

(b) **Termination events not subject to materiality**

The Underwriter may, at any time from the date of execution of the Underwriting Agreement until the Completion Date, terminate the Underwriting Agreement (without any cost or liability to the Underwriter) by notice to the Company, if any of the events set out below occur:

(i) **Indices fall**

Any of the All Ordinaries Index, XKO 3510 Health Eq & Services Index or the Standard and Poors/ASX Small Resources Index as published by ASX is at any time after the date of the Underwriting Agreement at a level that is 10% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement.

(ii) **No Official Quotation**

ASX has indicated before the 26 August 2019 (or a later date agreed by the Company and the Underwriter) that Official Quotation of the SPP Shares will not be granted in accordance with the Timetable or will be granted with such conditions attached so as to represent a Material Adverse Effect, or having been granted, is subsequently withdrawn, withheld or qualified.

(iii) **Restriction on allotment**

The Company is prevented from allotting the SPP Shares within the time required by the Underwriting Agreement, the Corporations Act, the ASX Listing Rules, any statute regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority.

(iv) **Misleading Share Purchase Plan**

It transpires that there is a statement of omission made by the Company including without limitation a statement or omission in connection with the SPP, the Notice of Meeting or an ASX announcement relating to the SPP Offer and that statement or omission is or becomes misleading or deceptive or likely to mislead or deceive.

(v) **ASIC or other prosecution**

ASIC gives notice of an intention to hold a hearing, examination or investigation, or it requires information to be disclosed in connection with the SPP Offer, the SPP, or the Company.

(vi) **Takeovers Panel**

The Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel and the Takeovers Panel elects to hear the application.

(vii) **Hostilities**

There is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, Japan, Russia, the United Kingdom, the United States of America, or the Peoples Republic of China or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world; or

(viii) **Authorisation**

Any authorisation which is material to anything referred to in the SPP Offer is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter; or

(ix) **Indictable Offence**

A director or a senior manager of the Company or its subsidiary is charged with an indictable offence.

(c) **Termination events subject to materiality**

The Underwriter, may at any time from the date of execution of the Underwriting Agreement until the Completion Date (being 28 August 2019 or such other date as agreed by the Company and the Underwriter), terminate the Underwriting Agreement (without any cost or liability to the Underwriter) by notice to the Company, if any of the events set out below occur and that in the reasonable opinion of the Underwriter reached in good faith, the occurrence of the relevant event:

- (i) has or is likely to have a Material Adverse Effect; and
- (ii) could give rise to a liability of the Underwriter under the Corporations Act or otherwise.

The relevant termination events are as follows:

(i) **Default**

Default or breach by the Company under the Underwriting Agreement of any material terms, condition, covenant or undertaking.

(ii) **Hostilities**

There is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this Agreement involving one or more

of Australia, New Zealand, the United Kingdom, the United States of America or the People's Republic of China.

(iii) **Incorrect or untrue representation**

Any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes materially untrue or incorrect.

(iv) **Contravention of constitution or Act**

A contravention by the Company or one of its subsidiaries of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX.

(v) **Adverse change**

An event occurs that causes a Material Adverse Effect in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company or one of its subsidiaries including, without limitation, if any forecast disclosed to ASX prior to the date of the Underwriting Agreement becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time.

(vi) **Public statements**

Without the prior approval of the Underwriter a public statement is made by the Company in relation to the SPP Offer.

(vii) **Misleading information**

Any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the SPP Offer or the affairs of the Company or one of its subsidiaries is or becomes misleading or deceptive or likely to mislead or deceive.

(viii) **Official Quotation qualified**

The Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation".

(ix) **Change in Act or policy**

There is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy.

(x) **Prescribed Occurrence**

A Prescribed Occurrence (as defined under the Underwriting Agreement) occurs.

(xi) **Suspension of debt payments**

The Company suspends payment of its debts generally.

(xii) **Event of Insolvency**

An Event of Insolvency (as defined under the Underwriting Agreement) occurs in respect of the Company or one of its subsidiaries.

(xiii) **Judgment against a Relevant Company**

A judgment in an amount exceeding \$50,000 is obtained against the Company or one of its Subsidiaries and is not set aside or satisfied within 7 days.

(xiv) **Litigation**

Litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against the Company or one of its subsidiaries, other than any claims disclosed to the ASX prior to the date of the Underwriting Agreement.

(xv) **Board and senior management composition**

There is a change in the composition of the Board of Directors or a change in the senior management of the Company before Completion (being 28 August 2019 or such other date as agreed by the Company and the Underwriter) without the prior written consent of the Underwriter (such consent not to be unreasonably withheld).

(xvi) **Change in shareholdings**

There is a material change in the major or controlling shareholdings of the Company or one of its subsidiaries or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company or one of its subsidiaries.

(xvii) **Timetable**

There is a delay in any specified date in the Timetable which is greater than 3 Business Days.

(xviii) **Force Majeure**

A Force Majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs.

(xix) **Certain resolutions passed**

The Company or one of its subsidiaries passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution, except as disclosed to ASX or to the Underwriter prior to the date of the Underwriting Agreement or with the prior written consent of the Underwriter (which must not be unreasonably withheld or delayed).

(xx) **Capital Structure**

The Company or one of its subsidiaries alters its capital structure in any manner not contemplated by the SPP Offer, the Underwriting Agreement or the mandate entered into with CPS Capital in relation to the Placement.

(xxi) **Investigation**

Any person is appointed under any legislation in respect of companies to investigate the affairs of a related body corporate (as defined under the Corporations Act).

(xxii) **Market Conditions**

A suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets,

political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

(xxiii) **Shares are not fully paid ordinary**

All Shares issued pursuant to the SPP Offer and in accordance with the terms of the Underwriting Agreement must, from the date of allotment, rank equally in all respects with other fully paid ordinary shares in the Company and will be free of all encumbrances.

(xxiv) **Suspension**

The Company is removed from the Official List of ASX or, after the date of the Underwriting Agreement, the Shares become suspended from Official Quotation and that suspension is not lifted within 3 trading days following such suspension.

10.4 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

As at the date of this Prospectus Mr Claude Solitario, being a director of the Company, holds 15,166,520 Convertible Notes which, subject to shareholders approving the resolutions at the EGM, will convert into 30,333,040 Shares and 30,333,040 Options. Accordingly under the C-Note Offer Mr Claude Solitario (in his capacity as trustee of the Solitario Family Trust) will receive 30,333,040 Options.

10.5 Security holdings of Directors

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options
David Kaysen	Nil	Nil
Frank Prendergast	374,075	2,759,556
Michael Phelps	Nil	2,759,556
Peter Carlisle	125,500	4,559,556
Patrick Kennedy	Nil	3,159,556
Claude Solitario	11,479,536	3,000,000
Melanie Leydin	Nil	Nil

10.6 Remuneration of Directors

Please refer to the Remuneration Report, which is contained on pages 26 to 34 of the Company's Annual Report for the financial year 1 July 2017 to 30 June 2018, for full details of the remuneration of the Company's executive and non-executive directors. Effective from 1 January 2019 non-executive directors have not received cash remuneration for non-executive directors services provided as announced on 24 December 2018.

The Annual Report was lodged with ASX on 27 September 2018 and is available on the Company's ASX announcements page at <https://medibio.com.au/asx-announcements/>

A hard copy of the Annual Report is also available free of charge by contacting the Company at its registered address using the details in Section 4 of this Prospectus.

10.7 Interests of advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the Offers or a financial services licensee named in this Prospectus as a financial services licensee involved in the Offers,

holds at the date of this Prospectus, or has held within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offers.

Gadens has acted as the Australian legal adviser to the Company in relation to the Offers. The Company has paid or agreed to pay \$50,000 (excluding GST) for these services in connection with the Offers up to the date of the Prospectus. Further amounts may be payable to Gadens in accordance with its time-based charge out rates.

CPS Capital has acted as the lead manager to the Placement and Placement Offer. The Company has agreed to pay CPS:

- (c) a management fee of 2% (plus GST) for the total amount raised by CPS under the Placement and Placement Offer;
- (d) a placing fee of 4% (plus GST), where applicable, for funds raised via the Placement and Placement Offer, calculated by reference to funds raised by CPS from investors who are procured by CPS, and not including funds raised from investors procured by the Company and any of its officers and employees, being called the 'chairman's list'.

10.8 Consents

Gadens has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Company's Australian legal adviser in the form and context in which it is named. Gadens takes no responsibility for any part of this Prospectus, other than a reference to its name.

CPS Capital has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the underwriter to the SPP Offer and lead manager to the Placement in the form and context in which it is named.

Computershare Investor Services Pty Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Company's Share Registry in the form and context in which it is named.

Computershare Investor Services Pty Limited has not taken part in the preparation of any part of this Prospectus other than the recording of its name as Share Registry.

Computershare Investor Services Pty Limited takes no responsibility for any part of this Prospectus, other than a reference to its name.

10.9 Governing law

This Prospectus, the Offers and the contracts formed on acceptance of applications under the Offers are governed by the laws applicable in Victoria, Australia. Each applicant for SPP Shares and Options submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

10.10 Directors authorisation

This Prospectus is authorised by each Director, who has given and not withdrawn their consent to the issue of this Prospectus and to its lodgement with ASIC.

11. Glossary

\$ means the lawful currency of the Commonwealth of Australia.

EGM means the extraordinary general meeting of Shareholders, to be held on 19 August 2019.

Application Form means the SPP Offer Application Form, Placement Offer Application Form, C-Note Offer Application Form and CPS Offer Application Form (as the case applies).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

Attaching Option means a free attaching Option, offered to participants in the SPP for nil consideration on the basis of an entitlement to one Option for every SPP Share issued.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except public holidays and any other day that ASX declares is not a business day.

CE means Conformité Européenne;

Closing Date means the dates specified in Section 6.8 of this Prospectus (unless extended).

C-Note Offer means has the meaning given to that term in Section 6.3 of this Prospectus.

C-Note Offer Application Form means the application form provided pursuant to the C-Note Offer.

Completion Date means the closing date specified in the Timetable to close the Applications for the SPP, being 20 August 2019.

Constitution means the constitution of the Company as amended from time to time.

Conversion has the meaning given to that term under section 6.1(b).

Conversion Share means those shares issued pursuant to the C-Note Offer.

Convertible Note means a convertible note issued by the Company pursuant to a convertible note deed poll dated on or about 10 December 2018.

Convertible Note Holder means a holder of Convertible Notes;

Corporations Act means the *Corporations Act 2001* (Cth).

CPS Capital means CPS Capital Group Pty Ltd (AFSL 294848).

CPS Offer has the meaning given to that term in Section 6.3 of this Prospectus.

CPS Offer Application Form means the application form provided pursuant to the CPS Offer.

Custodian means a person:

- (a) that holds an Australian financial services licence that:
 - (i) covers the provision of a custodial or depositary service; or
 - (ii) includes a condition requiring the holder to comply with the requirements of ASIC Class Order [CO 02/294]; or
- (b) that is exempt under:
 - (i) paragraph 7.6.01(1)(k) of the Corporations Regulations 2001 (the **Regulations**); or
 - (ii) paragraph 7.6.01(1)(na) of the Regulations; or
 - (iii) ASIC Class Order [CO 05/1270] to the extent that it relates to ASIC Class Order [CO 03/184]; or
 - (iv) ASIC Class Orders [CO 03/1099], [CO 03/1100], [CO 03/1101], [CO 03/1102], [CO 04/829] or [CO 04/1313]; or
 - (v) an individual instrument of relief granted by ASIC to the person in terms similar to one of the class orders referred to in subparagraph (iia); or
 - (vi) paragraph 911A(2)(h) of the Act;

from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service; or
- (c) that is a trustee of a:
 - (i) self-managed superannuation fund; or
 - (ii) superannuation master trust; or
- (d) that is the responsible entity of an IDPS-like scheme; or

that is the registered holder of shares or interests in the class and is noted on the register of members of the body or scheme (as the case may be) as holding the shares or interests on account of another person.

Director means a director of the Company.

EGM means Extraordinary General Meeting;

Eligible Beneficiary means a person who would otherwise satisfy the definition of an Eligible Shareholder but for they hold a beneficial interest in Shares and whose legal interest in Shares is held by a Custodian.

Eligible Shareholders means Shareholders:

- (a) who were registered holders of Shares on the Record Date; and
- (b) whose registered address was 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 SPP Offer.

Eligible Shortfall Participants has the meaning given to that term in the letter to shareholders in section 1 of this Prospectus.

FDA means Food and Drug Administration.

Material Adverse Effect means:

- (a) a material adverse effect on the outcome of the Offer or on the subsequent market for the Shares and Options made under the Offers (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in the Shares and Options made under the Offers); or
- (b) a material adverse effect on the assets, condition, trading or financial position, performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries either individually or taken as a whole; or
- (c) a material adverse effect on the tax position of either;
- (i) the Company and its Subsidiaries either individually or taken as a whole; or
- (ii) an Australian resident shareholder in the Company.

MEB or the **Company** means Medibio Ltd ACN 008 130 336.

Notice of Meeting means the notice of meeting prepared by the Company for the purpose of the EGM.

Offer Price means \$0.01 per Share.

Offers means the SPP Offer and the Other Offers (or any of them, as the case requires). **Option** means an option to acquire a Share on the terms and conditions set out in Section 8.1 of this Prospectus.

Other Offers means the Placement Offer, CPS Offer and C-Note Offer.

Placement means the Company's two-stage share placement to sophisticated and professional investors to raise approximately \$3.5 million.

Placement Offer has the meaning given to that term in Section 6.2 of this Prospectus.

Placement Offer Application Form means the application form provided pursuant to the Placement Offer;

Placement Participants has the meaning given to that term in Section 6.2 of this Prospectus.

Placement Share means those shares issued pursuant to the Placement.

Prospectus means this prospectus.

Record Date means 7pm (AEST) on 9 July 2019.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Computershare Investor Services Pty Limited.

Shortfall Shares means those shares issued pursuant to the Shortfall Offer.

SPP or Share Purchase Plan means the Company's share purchase plan dated on or about the date of this Prospectus.

SPP Offer Application Form means the Application Form relevant to subscribers under the SPP Offer.

SPP Offer means the offer to SPP Subscribers of up to 52,000,000 SPP Shares at an offer price of \$0.01 (1 cent) and one free attaching Option for each SPP Share subscribed for exercisable at \$0.03 (3 cents) and expiring on 1 December 2021 on the terms and conditions set out in this Prospectus.

SPP Share means a new Share subscribed for under the SPP.

SPP Shortfall Notice Deadline Date means the date by which the Company must give the Underwriter written notice of the Shortfall Shares, being 26 August 2019.

SPP Shortfall Settlement Date means the date by which the Underwriter must lodge Applications for Shortfall Shares, being 27 August 2019.

SPP Shortfall means the difference between:

- (a) the dollar value of valid applications received from Eligible Shareholders under the SPP; and
- (b) the amount sought to be raised under the SPP from the issue of SPP Shares, being \$520,000.

SPP Subscribers means Eligible Shareholders and Eligible Shortfall Participants.

Subsidiary means each company which at the date of execution of the Underwriting Agreement or at the time of completion of the SPP Offer is a subsidiary of the Company within the meaning of the Corporations Act.

Timetable means the timetable of key dates for the SPP set out in Section 3 of this Prospectus.

Underwriter means CPS Capital Group Pty Limited.

Underwriting Agreement means the underwriting agreement between the Company and the Underwriter dated 10 July 2019, a summary of which is set out in section 10.3 of this Prospectus.

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

Share Purchase Plan (SPP) Application Form

Your payment must be received by 5:00pm (AEST) Tuesday, 20 August 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.

By making payment you agree to be bound by the Constitution of Medibio Limited and that the submission of this payment constitutes an irrevocable offer by you to subscribe for SPP Shares and Attaching Options in Medibio Limited on the terms detailed in the Prospectus as dated **insert date**.

In addition, by making payment you certify that the aggregate of the application price paid by you for:

- the SPP Shares and Attaching Options the subject of the payment slip overleaf; and
- any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of the payment, does not exceed \$15,000.

Medibio Limited may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application.

Any determinations by Medibio Limited will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. Medibio Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all Eligible Shareholders even where Medibio Limited does not notify you of that event.

Step 1: Registration Name & Offer Details

Details of the shareholding and the 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

SPP Shares and Attaching Options may be purchased in the minimum value and not exceeding the maximum value. Your payment must correspond to one of the options detailed overleaf. You may choose one option only. Note that the amount chosen may be subject to scale back in accordance with the terms of the SPP.

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 this 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.

Medibio Limited Share Purchase Plan (SPP) Application Form
Payment must be received by 5:00pm (AEST) Tuesday, 20 August 2019

© Registered to BPAY Pty Limited ABN 69 079 137 518


Turn over for details of the Offer →

Share Purchase Plan (SPP) Application Form

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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: Record date: **7pm (AEST) on Tuesday, 9 July 2019**

Minimum value available to purchase: **\$1,000**

Maximum value available to purchase: **\$15,000**

STEP 2 Make Your Payment

	Bill Code: 000000
	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 SPP Shares and Attaching Options 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 (AEST) Tuesday, 20 August 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 (AEST) Tuesday, 20 August 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

Purchase Details for Medibio Limited (choose one option)

<input type="checkbox"/> \$1,000 worth of securities	OR	<input type="checkbox"/> \$2,000 worth of securities	OR	<input type="checkbox"/> \$5,000 worth of securities
<input type="checkbox"/> \$10,000 worth of securities	OR	<input type="checkbox"/> \$15,000 worth of securities		



Entitlement No: 12345678

Payment must be received by 5:00pm (AEST) Tuesday, 20 August 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
				A\$

123456789123456789+0000000001-3051+14

