

ASX Announcement

Medibio Limited – 13 January 2020



Letter From The Managing Director

Melbourne, Australia and Minneapolis, MN – 13th January 2020: Medibio Limited (MEB or the Company)(ASX: MEB)(OTCQB: MDBIF), a mental health technology company pioneering the use of objective measures to aid in the early detection and screening of mental health conditions, is pleased to provide the following letter from the newly appointed Managing Director, Mr Claude Solitario:

Dear fellow Shareholder,

It is with great pleasure that I write to you as the newly appointed Managing Director of Medibio Ltd, a company I have been associated with for many years.

As one of the founders of the Company and its largest individual shareholder, I have been a resolute long-time supporter of the Company's technology – which I strongly believe has immense clinical application and commercial potential.

In recent times, I have been disappointed by the Company's many board and management changes, which in my view have unnecessarily impeded the development of our regulated program and that of our corporate wellness product, ilumenTM.

Many shareholders have voiced similar concerns and have also expressed a desire for increased transparency and communication from management.

On 9th December 2019 Medibio provided a comprehensive update to the market with the following key highlights:

- Strengthening focus on fast-track commercialisation of ilumenTM, including increased marketing and sales;
- Leveraging momentum of the encouraging corporate response from current ilumenTM pilots underway;
- Confirming progress towards FDA De Novo and 510(k) programs planned for 2020, including:
 - Clinical Depressive Burden; and
 - Sleep-Staging Analysis;
- Confirming substantial cost savings from reduction and relocation of some of the US operations; and
- Confirming management changes aligned with the company's focus and commitment, including my appointment as Managing Director.

In the view of the Board, these changes were necessary to refocus our regulatory program, position the Company for the aggressive pursuit of increased commercial opportunities related to ilumenTM and to increase our focus on efficiencies (both financial and operational). As you may have seen, my recently announced remuneration package reflects a reduction of some 70% relative to that of my predecessors. I am a committed shareholder and I think our collective commitment will ultimately prove the greatest value for all of us.

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Looking to the future and in light of these changes, our regulatory and ilumen™ commercial teams have been working hard to formulate their strategic plans for 2020 and beyond. While pursuing the quickest path to regulatory approval for its FDA programs the Company will continue its aggressive commercial plan for ilumen™. Importantly, both these efforts can be achieved within Medibio's current financial reserves.

I will soon be announcing our FDA regulatory strategy for 2020, followed shortly thereafter by our commercialisation strategy for ilumen™. This will set the stage for the 2020 calendar year. I will periodically be informing shareholders of progress on both fronts.

I am committing that under my leadership, the Company will be more open and transparent than ever before.

In addition, as part of our strategic plan, I will also be stepping up our external public relations efforts and promotional activities. It's time to extend Medibio's profile beyond the ASX and investment community.

The world has seen remarkable technological advances in many fields of medicine and although technology has played a role in the management of mental health, objective analysis has remained elusive.

Despite this challenge, Medibio remains dedicated to our mission of bringing objective biomarkers to aid in the screening and diagnosis of mental illness. Consequently, I noted with great pride that last year the peer-reviewed journal BMC Psychiatry published an article from the University of Ottawa, concluding that *"Sleep-derived heart rate patterns could act as an objective biomarker of depression, at least when it occurs with sleep disturbances and may act as an objective diagnostic tool"*.

In addition to this industry acknowledgement, our team has made significant progress in developing our technology, which now includes interconnecting sleep-staging algorithms. These sleep staging algorithms and related software will be the subject of a separate FDA 510K application, which will result in new commercial opportunities for Medibio.

In parallel, our ilumen™ team is working diligently to ensure the current pilot programs progress to commercial contracts and an expanded customer pipeline.

The 2020 calendar year will be a significant year for Medibio Ltd. After many years as a passive shareholder, I am excited to be leading the Company. The goals and objectives of management and shareholders are now aligned more than ever before.

I look forward to 2020 with a great deal of excitement.

Yours Sincerely,

Claude Solitario
Managing Director

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About Medibio Limited

Medibio (ASX: MEB) (OTCQB: MDBIF) is a mental health technology company pioneering the use of objective measures to aid in the early detection and screening of mental health conditions. Through their Corporate Health product, the Company offers mental well-being solutions for businesses and are also developing products to serve the healthcare provider market. The company was founded in Australia, with offices located in Melbourne (Vic) and Minneapolis (MN). Medibio is listed on the Australian Securities Exchange Ltd and trades on the OTCQB Venture Market. Investors can find additional information on www.otcmarkets.com and www.asx.com.au.

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