

ASX Announcement

Medibio Limited – 18 June 2020



Despatch of Offer Letter to Eligible Shareholders

Melbourne, Australia and Minneapolis, MN – 18 June 2020: Medibio Limited (MEB or the Company)(ASX: MEB)(OTCPINK: MDBIF), a health technology Company is pleased to announce the despatch of the letter to eligible shareholders attached as an Annexure to this announcement in relation to the Non-Renounceable Entitlement Offer (“**Entitlement Offer**”) as previously announced on 10 June 2020.

The Company also advises that the offer and its offer website <https://medibio2020offer.thereachagency.com> are both open.

The Entitlement Offer is fully underwritten and allows eligible shareholders to subscribe to one (1) new fully paid ordinary share for every four (4) existing fully paid ordinary shares held at the record date of 15 June 2020 at an issue price of \$0.006 (0.6 cents) per share to raise approximately \$1.52 million before costs.

The closing date of the Entitlement Offer is 5:00pm AEST on 29 June 2020.

– ENDS –

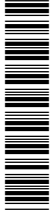
This announcement is authorised for release to the market by the Board of Directors of Medibio Limited.

Melanie Leydin
Director and Company Secretary
Medibio Limited

About Medibio Limited

Medibio (ASX: MEB) (OTCPINK: MDBIF) is a 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 U.S. offices in Minneapolis, MN. Medibio is listed on the Australian Securities Exchange Ltd and trades on the OTC Pink Open Market. Investors can find additional information on www.otcmarkets.com and www.asx.com.au.

Further information
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18 June 2020

Letter to Eligible Shareholder – Entitlement Offer

Dear Shareholder

Medibio Limited (MEB or the Company) (ASX: MEB) (OTCPINK: MDBIF), writes to you as an eligible shareholder of the Company with a registered address in Australia, New Zealand or Hong Kong as of 15 June 2020 (“**Record Date**”).

As advised in the Company’s ASX announcement dated 10 June 2020 Medibio is undertaking a capital raising transaction to raise approximately \$2 million (before costs) (“**Capital Raising**”). The Capital Raising comprises a placement of \$0.5 million (“**Placement**”), followed by a fully underwritten, Non-Renounceable Entitlement Offer (“**Entitlement Offer**”) to raise approximately a further \$1.52 million.

An Offer document in relation to the Entitlement Offer was also lodged by the Company with ASX on 10 June 2020 (“**Offer Document**”). A copy of the Offer Document (along with information with respect to applying for your entitlement under the Entitlement Offer including your personalised Entitlement and Acceptance Form) is accessible at: <https://medibio2020offer.thereachagency.com>. A hard copy of the Offer Document is also available upon request to the Company who can be contacted on +61 3 9692 7222.

Unless otherwise defined, capitalised terms used in this letter have the meaning given in the Offer Document.

Entitlement Offer

Purpose and Use of Funds

The purpose of the Offer is to -

- a) raise additional working capital for the Company to undertake the depressive burden trial, commercialise MEBsleep, commercialise ilumen™, develop a consumer app and for general working capital purposes; and
- b) recognise Shareholders' ongoing support of the Company and provide the opportunity for Eligible Shareholders to participate in a discounted Entitlement Offer.

Investors should note that Medibio operates in the health industry which is intensely competitive and subject to rapid and significant change and that any investment made in it should be considered highly speculative. An investment in the Company’s securities is subject to risks, including risks specific to Medibio and general risks. Detailed information about these risks is set out in Section 6 of the Offer Document, which we encourage you to read carefully in its entirety.

Key features

The Entitlement Offer is on the basis of one (1) new fully paid ordinary shares for every four (4) existing fully paid ordinary shares, at an issue price of \$0.006 (0.6 cents) per share. The Entitlement Offer will result in the issue of 252,865,843 shares to raise approximately \$1,517,195 (before costs).

The Entitlement Offer is offered to all shareholders with registered addresses in Australia, New Zealand or Hongkong who hold shares as at 7.00pm (AEST) on the record date being Monday, 15 June 2020 (“**Eligible Shareholders**”) as outlined in Section 4.6 of the Offer Document.

Eligible shareholders who apply for their Entitlement in full may apply for additional Shares under the Shortfall. If eligible shareholders subscribe for more Shares than are available under the Shortfall, the Company will apply a scale-back procedure to ensure a fair allocation of the Shortfall.

Applications and payment of funds must be received by the Company on or before 5.00pm (AEST) Monday, 29 June 2020 (“**Closing Date**”) (subject to any variation in accordance with applicable laws and regulations), and unless the Offer is extended by the Company.

New Medibio shares issued under the Entitlement Offer will be fully paid and rank equally with all existing Company shares on issue and the Company will apply to the ASX for quotation of the new shares.

Key Dates for Entitlement Offer

Event	Indicative Date
Announcement of Capital Raising	Wednesday, 10 June 2020
Cleansing Notice and Lodgement of Offer Document and Appendix 3B with ASX	Wednesday, 10 June 2020
Letter to Eligible and Ineligible Shareholders regarding Offer dispatched	Thursday, 11 June 2020
Trading on ex basis	Friday, 12 June 2020
Record date	7:00pm (AEST) Monday, 15 June 2020
Entitlement Offer opening Date	9.00am (AEST) Thursday, 18 June 2020
Offer Document dispatched to Eligible Shareholders and Company announces dispatch has been completed	Thursday, 18 June 2020
Entitlement Offer Closing Date	5.00pm (AEST) Monday, 29 June 2020
Shares quoted on a deferred settlement basis	Tuesday, 30 June 2020
Announcement of results of Entitlement Offer	Thursday, 2 July 2020
Issue date of Offer Shares	Monday, 6 July 2020
Quotation of Offer Shares	Tuesday, 7 July 2020

**The above timetable is indicative only and subject to change. The quotation of Offer Shares is subject to ASX approval. Subject to the ASX Listing Rules and Corporations Act and other applicable laws, the Company reserves the right to vary these dates, without notice. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the Offer Shares.*

The Company reserves the right to withdraw the Offer at any time before the issue of Offer Shares under the Offer, in which case Medibio will refund any Application Monies received.



Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Offer Shares are issued, is set out below.

Shares	Number
Shares on issue as at date of Offer Document	1,011,463,372
Offer Shares offered pursuant to the Offer	252,865,843
Placement Shares to be issued under the Placement	83,333,333
Total Shares on issue after completion of the Offer	1,347,662,548

Options	Number
Quoted Options on issue as at the date of this Offer Document expiring 1 December 2021, exercisable at \$0.03 per Option (MEBOB)	836,328,540
Unlisted Options on issue as at the date of this Offer Document, expiring various dates and exercisable at various prices (MEBAD)	63,637,113
Underwriter Options to be issued to the Underwriter	20,000,000
Total Options on issue after completion of the Offer	919,965,653

Possible dilutive effect

The dilutionary effect of the Offer on your shareholding will depend on whether you elect to subscribe for some or all of your Entitlement. If all of the entitlements under the Offer are subscribed, Eligible Shareholders will hold the same percentage interest in the Company as they did immediately prior to completion of the Offer. However, to the extent that any Shareholder fails to take up their full Entitlement, or is an Ineligible Shareholder unable to participate in the Offer, that Shareholder's percentage holding in the Company will be diluted.

Please refer to Section 5.5 of the Offer Document for further details of the possible dilutive effect.

Actions required by Eligible Shareholders

The number of new Medibio shares to which Eligible Shareholders are entitled (your Entitlement) is shown on the Entitlement and Acceptance Form that accompanies the Offer Document which can be accessed by entering your personal details (which are set out at the top of this letter and on the enclosed holding statement) at the following link: <https://medibio2020offer.thereachagency.com>.

As an Eligible Shareholder, you may:

- take up your Entitlement in full and also apply for Additional Shares (refer to Section 4.10 (a) of the Offer Document);
- take up your Entitlement in full without applying for Additional Shares (refer to Section 4.10 (b) of the Offer Document);
- take up part of your Entitlement (refer to Section 4.10 (c) of the Offer Document); or
- If you do not wish to accept all or part of your Entitlement, you are not obligated to do anything in response to the Offer.

If you choose to participate in the Entitlement Offer, please ensure your application money for the Entitlement you wish to take up (and for any Additional Shares you wish to subscribe for) is received by the Company by no later than 5.00pm (AEST) Monday, 29 June 2020.

Applicants are required to pay by BPAY. You will be treated as applying for as many Shares as your payment will pay for in full. For New Zealand or Hong Kong Eligible Shareholders only, if you do not have an account that supports BPAY® transactions to an Australian bank account then please contact the Company Secretary on +61 3 9692 7222 for alternative EFT payment arrangements.

Entitlements are non-renounceable and will not be tradable on the ASX or otherwise transferable. Accordingly, you cannot, in most circumstances, withdraw your Application for Offer Shares once it has been accepted.

Shortfall Offer

If you wish to apply for Shares in excess of your Entitlement by applying for Shortfall Shares you may do so by completing the relevant separate section of your personalised Entitlement and Acceptance Form relating to the Shortfall Offer, which is accessible at <https://medibio2020offer.thereachagency.com> and following the instructions therein.

Any Shares applied for in excess of your Entitlement will be applied for under the Shortfall Offer and will be issued in accordance with the allocation policy described in Section 4.10(a) of the Offer Document. Any Additional Shares will be limited to the extent that there are sufficient Offer Shares available after satisfying all Applications received from Eligible Shareholders for Entitlements pursuant to the Offer and allocations made by the Underwriter (i.e. there is a shortfall between the number of Offer Shares applied for under the Offer and the total Entitlements offered to Eligible Shareholders under the Offer).

Please note that if you pay by BPAY you are taken to have applied for such number of Shortfall Shares in respect of such whole number of Shares that is covered in full by the funds transferred, less your full Entitlement.

If you have any queries about the Entitlement Offer, please contact the Company Secretary on +61 3 9692 7222.

Yours Sincerely



Claude Solitario
Managing Director & CEO
Medibio Limited