

ASX Announcement



Medibio Limited – 30 July 2021

June 2021 Quarterly Activities Report and Appendix 4C

Key highlights from the quarter:

- Sleep Analysis of Depressive Burden trials progressing in accordance with expectations.
- Awarded patent for “Method and System for Assessing Mental State” from US Patent and Trademark Office.
- Compass Group (Australia) implements ilumen for its Offshore & Remote division.
- Appointed R&CPMK, a US-based integrated marketing agency to drive brand development.
- Cash on hand at the end of the June quarter was approximately \$2.3m.
- Total research and development and other intellectual property expenditure of \$526,000 was incurred during the June quarter relating primarily to MEB-001, MEBsleep, and the consumer app development.

Melbourne, Australia and Minneapolis, MN – 30 July 2021: Medibio Limited (MEB or the Company) (ASX: MEB) (OTCPINK: MDBIF), is pleased to announce its quarterly activity report and Appendix 4C for the three months ended 30th June 2021:

Regulated Business Unit Update

i. MEB-001

The Sleep Analysis of Depressive Burden trials (MEB-001) are progressing well and in accordance with expectations. The main findings of the algorithms for the screening of depressive burden are showing distinctive heart rate variability changes in certain sleep stages, characteristic of depression. Based on the analysis performed at the Department of Biological Sciences at Humanitas University in Milan, Italy, our algorithms are showing strong EEG and ECG patterns, indicative of depressive burden in patients suffering from sleep disturbances who are undergoing a sleep study in a sleep clinic. These findings were based on comparisons between patients assessed as having moderate to severe depressive symptoms according to BDI-II (used by mental health professionals in the general population) and PHQ-9 (used by mental health professionals, typically in a hospital environment), and those assessed by MEB-001. The benefits of identifying patients with moderate to severe depressive symptoms early is that they can be referred sooner to a mental health professional. Early referral is associated with better outcomes.

Should the data continue to show strong patterns, it will serve as the basis of our request to the FDA for a pre-submission meeting for a De Novo application. The purpose of such pre-submission meeting will be to agree on, amongst other things, the trial design, its objectives, and the size and diversification of the patient population.

ii. MEBsleep

The FDA has requested that due to internal resources issues at the FDA preventing a timely review of the technology, the pre-submission meeting for Medibio’s Sleep Staging Software (MEBsleep) be further postponed with a replacement date yet to be determined but within the month of August 2021. The FDA has acknowledged and appreciated Medibio's courteous acceptance of the delays. The purpose of the pre-submission meeting will be to agree on, amongst other things, the trial design, its objectives, and the size and diversification of the patient population.

iii. US Patent for method and system for assessing mental state

The US Patent and Trademark Office awarded the Company with a patent for its “Method and System for Assessing Mental State”, which was announced 4th May 2021. The patent relates to a computer-implemented method of

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assessing the mental state of a subject by receiving a sequence of heartbeat data samples obtained overnight through three distinct periods: a pre-sleep, sleep, and post-sleep period. This patent enriches the Company's intellectual property and further strengthens its strategic protection across the Company's key commercial markets, including clinical, corporate and consumer.

Non-regulated Business Unit Update

iv. Corporate Health – ilumen

Medibio has started the rollout of ilumen™ through Compass Group after the signing of the Global Master License and Service Agreement (GMLSA). The Compass business unit ESS UK, a market leader in Defence, Government and Offshore Services, was the first to come on board and their annual program commenced in May 2021 with excellent employee participation rates. Compass Australia's Remote and Offshore division has recently signed a Statement of Work, for 1,000 employees and their program is set to commence July 2021.

Global engineering and design firm Stantec, which provides professional consulting services in planning, engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, project management, and project economics for infrastructure and facilities projects, has committed to a second annual license to offer ilumen™ to its staff. Our first contract with Stantec provided ilumen™ to their offices in Australia. Since the initial launch, in April 2020, Stantec's use of ilumen™ has been extended to its workforce in India, New Zealand and China.

Medibio continues to work on business development with large organisations, particularly in the insurance, resources, and professional services sectors. The decision-making process with such organisations can be lengthy but we are engaged in meaningful high-level discussions with several potential partners.

Medibio engaged with the Federal Government in relation to mental health funding initiatives. In May, Medibio advanced these discussions by meeting in Canberra with Senior Advisors from the offices of the Federal Minister for Finance and the Federal Treasurer. We are scheduled to return to Canberra in August to continue discussions with the relevant government departments regarding obtaining funding as part of the \$2.3B committed to mental health, for a project which will see ilumen™ rolled out to small to medium businesses, representing an under-served section of the Australian workforce that would otherwise not have access to ilumen™.

During the June quarter, Medibio finalised Referral Agreements to engage three new business consultants with industry connections in finance, consulting, mining, retail, food & beverage, and sport, with a combined 35 years of sales and business development experience. These resources will provide Medibio with flexibility, national representation and agility to seek out potential clients for ilumen™. The Referral Agreements are structured to minimise overhead to Medibio whilst strengthening the ability of our team to generate leads.

v. Consumer Health – Consumer App

The development of our consumer app continues in accordance with our development timeline and within budget. The app will be launched in the United States in October 2021 to coincide with World Mental Health Day.

During the June quarter, Medibio appointed R&CPMK, a pre-eminent integrated marketing and communications agency in global entertainment, media, and technology, to drive brand development and strategic communications in the United States for the upcoming launch of our consumer mental health app. They have advised and created campaigns for companies such as Mastercard, Hyundai, McDonalds, YouTube, Heineken, Northwell Health, Bumble,

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CISCO, and Warner Media, among others. Medibio's partnership with R&CPMK provides increased access to the world's leaders and the world's eyes.

Corporate and Financial Update

Cash on hand at the end of the June quarter was approximately \$2.3m. Total research and development and other intellectual property expenditure of \$526k was incurred during the June quarter relating primarily to MEB-001, MEBsleep, and the consumer app development. An additional 459k was paid in relation to administration, corporate, staff, advertising and marketing costs.

Payments to related parties and their associates during the quarter was approximately A\$136,000. These payments related to Director fees and remuneration of their associates. Ms. Melanie Leydin, Director and Joint Company Secretary, was compensated for company secretarial and accounting services via payments to Leydin Freyer Corp Pty Ltd, which is included within the payments.

Further details and an update of Medibio's operations to July 2021 may be read [here](#).

ENDS

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

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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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

MEDIBIO LIMITED

ABN

58 008 130 336

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	26	98
1.2 Payments for		
(a) research and development	(46)	(521)
(b) product manufacturing and operating costs	(78)	(219)
(c) advertising and marketing	(4)	(33)
(d) leased assets	-	-
(e) staff costs	(153)	(697)
(f) administration and corporate costs	(302)	(1,252)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(1)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	8	1,118
1.8 Other (IP expenditure)	(25)	(2)
1.9 Net cash from / (used in) operating activities	(575)	(1,511)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	(526)	(1,836)
(f) other non-current assets	-	-

Quarterly cash flow report for entities subject to Listing Rule 4.7B

2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(526)	(1,836)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,274	5,518
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(88)	(532)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(10)	(110)
3.10	Net cash from / (used in) financing activities	1,176	4,876
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,241	813
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(575)	(1,511)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(526)	(1,836)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,176	4,876
4.5	Effect of movement in exchange rates on cash held	(5)	(31)
4.6	Cash and cash equivalents at end of period	2,311	2,311

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	2,311	2,241
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,311	2,241

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	136
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(575)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,311
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,311
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.02
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2021

Authorised by: By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the

[name of board committee – eg *Audit and Risk Committee*]. If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.