

21 January 2022

[Name]
[Address 1]
[Address 2]
[Address 3]

Dear Shareholder

Notification to ineligible shareholders of Entitlement Offer

Medibio Limited (**Company**) has announced to ASX Limited (**ASX**) a pro-rata non-renounceable entitlement offer (**Entitlement Offer**) to acquire one (1) fully paid ordinary share (**New Shares**) at \$0.005 (0.5 cents) per share for every three (3) existing shares (**Entitlement**) held by Company's shareholders in Australia and New Zealand as at 7.00pm (AEDT) on Tuesday, 25 January 2022 (**Record Date**).

The Entitlement Offer seeks to raise approximately \$3.4 million (before costs) and is partially underwritten for an amount up to \$1 million.

The Entitlement Offer is being made without a prospectus in accordance with section 708AA of the *Corporations Act 2001* (Cth).

The net proceeds of the Entitlement Offer will be used:

- (a) to finalise the depressive burden validation trial and submit the data for FDA approval pursuant to a De Novo application;
- (b) to establish the depressive burden trial with Medibio's existing research partner, Medbridge Health, for monitoring of sleep disturbance patients in the home environment;
- (c) to establish the trial with a commercial partner to monitor the effects of pharmaceuticals in psychiatric patients;
- (d) to increase the promotion, sales and marketing activities for the Company's corporate and consumer products, ilumen and LUCA, particularly in the USA; and
- (e) for general working capital.

Entitlement Offer

The Entitlement Offer is being made to Eligible Shareholders who will be able to take up their Entitlement as well as apply for additional New Shares. Shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) are those who:

- (a) are registered as the holder of shares in the Company as at 7.00 pm (AEDT) on the Record Date;
- (b) have a registered address on the share register of the Company in Australia and New Zealand;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States; and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

The Company has determined that it would be unreasonable to extend the Entitlement Offer to Shareholders with registered addresses outside Australia and New Zealand (**Ineligible Shareholders**), having regard to:

- (a) the small number of Shareholders with registered addresses outside Australia and New Zealand;
- (b) the number and value of the New Shares which would be offered to Ineligible Shareholders; and
- (c) the cost of complying with the legal requirements and requirements of the regulatory authorities, in the respective overseas jurisdictions.

Accordingly, the Entitlement Offer will not be made to Ineligible Shareholders.

No right to participate

Unfortunately, the Company has determined that you do not qualify as an Eligible Shareholder. Accordingly, the Company wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer.

The purpose of this letter is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter constitutes the notice that the Company is required to give each Ineligible Shareholder under ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the *Corporations Act 2001* (Cth).

This letter is not an offer to issue entitlements or New Shares to you, and is not an invitation for you to apply for entitlements in New Shares. You are not required to do anything in response to this letter.

On behalf of the Board and management of Medibio Limited, we thank you for your continued interest and support of the Company.

Yours faithfully,



Claude Solitario
Managing Director and CEO

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This letter is issued by Medibio Limited. This letter is not a prospectus or offer document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in Medibio Limited in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of Medibio Limited shares. No action has been, or will be, taken to register any offer or otherwise permit a public offering of securities outside Australia and New Zealand. This letter may not be released or distributed in the United States.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The entitlements and the New Shares offered in the Entitlement Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 ("**U.S. Securities Act**") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by persons in the United States and the New Shares may not be offered or sold in the United States, unless they have been registered under the U.S. Securities Act or are offered or sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The New Shares to be offered and sold in the Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.