

Medibio Limited (ASX: MEB)

Medibio Limited (ASX: MEB) (“Medibio” or “the Company”) is pleased to report on its activities for the March 2015 quarter.

Highlights

- Medibio acquired 100% of Invatec Health Pty Ltd (“Invatec”), the owner of a diagnostic test for depression and other mental health disorders subsequent to the end of the quarter.
 - Strategic consulting organisation The Ametus Group’s assessment found Medibio circadian heart rate (CHR) technology has a **US\$2.3bn revenue opportunity** for the medical diagnosis of depression in the US
 - o Existing Health Care reimbursement codes in the US could be leveraged to cover the use of Medibio’s technology in diagnosis of mental health conditions
 - o The technology could be readily accepted by health practitioners on the receipt of US Food and Drug Administration (FDA) approval
 - o There are no similar FDA-approved products currently available to clinicians
 - o MEB could secure a potential market share of 5% within 5 years, generating an annual revenue of approximately US\$100 million
 - \$2.6 million capital raising finalised subsequent to the end of the quarter on April 7th 2015
 - 1-for-100 share consolidation completed on March 20, 2015
 - Chris Indermaur appointed as Non-Executive Chairman subsequent to the end of the quarter
-

Corporate Actions approved at 6 March 2015 Shareholders Meeting

Share consolidation

Medibio undertook a one share for every 100 shares consolidation during the quarter and traded post-consolidation from 20 March 2015.

As a result of the share consolidation, the capital raising, the issue of shares and options and the acquisition of Invatec, the capital of the Company has changed from 3,514,856,036 shares and various Convertible Notes, pre-consolidation, to 89,802,927 fully paid ordinary shares and 21,530,009 options post-consolidation.

Capital raising

Subsequent to the end of the quarter, the Company finalised a capital raising of \$2.6 million via the issue of 8,690,000 placement shares at \$0.30/share. It also converted Series A and Series B convertible notes into fully paid ordinary shares plus attaching options.

Issue of shares and options

Subsequent to the end of the quarter, Medibio issued 150,000 shares to incoming Chairman Chris Indermaur, as well as shares and options to Board members as approved by shareholders at the 6 March 2015 General Meeting. The Company also issued 2,206,488 shares to various unrelated parties in relation to services and the acquisition of certain intellectual property and issued 18,516,667 to certain investors who held Series A and Series B convertible notes. The company also issued 6.417 million incentive options, exercisable at \$0.30, in the terms set out in the Notice of Meeting, to various staff and consultants.

ASX Market Update



Medibio Limited (ASX: MEB)

Board changes

Subsequent to the end of the quarter, MEB appointed Chris Indermaur as Non-Executive Chairman. Vince Fayad retired as a Director.

The Company also implemented an advisory committee, comprising Stephen Pearce, Dr Hans Stampfer and Dr Stephen Addis.

Invatec acquisition

Medibio completed the acquisition of Invatec and issued 25,537,500 fully paid ordinary shares to vendor shareholders of that company. The company notes that in the current quarter there were approximately \$460,000 one-off costs associated with the acquisition of Invatec, capital raising, and consolidation.

Invatec has developed a diagnostic test for depression and other forms of mental illness that has the potential to be the world's first FDA approved evidence based test for depression. This patented technology is non-intrusive, quick, objective and decisive, and incorporates more than 10 years of research into the relationship between the autonomic nervous system, psychological state and circadian heart rate activity. It is expected to revolutionise the diagnosis and treatment of mental health.

Medibio completed the acquisition of this technology through the acquisition of Invatec on April 2nd subsequent to the end of the quarter.

Ametus Group study

During the quarter, Medibio received the results of a comprehensive commercialisation study on its CHR depression test technology for the US market, undertaken by US-based consultancy The Ametus Group. Release of the study results was timely given Medibio's announcement in December 2014 that it had entered an agreement with Johns Hopkins University School of Medicine to undertake clinical validation of Medibio's CHR technology for the diagnosis of depression and support its application for FDA approval

Highlights of the Ametus Group study included:

- Based upon primary market research there is a need and desire to utilize the CHR technology as a device for both the initial differentiated diagnosis of depression and also for ongoing monitoring of therapy effectiveness. Over 90% of clinicians surveyed would use a CHR based diagnostic once clinically proven and reimbursable with Primary Care Physicians (PCP) the likely first adopters in the US.
- There is a series of existing CPT™ codes and payment structures, which cover electrocardiographic monitoring for up to 48 hours, which could be leveraged for Medibio's business plan in the US. These codes can be used by any physician in the US who could be expected to diagnosis mental health conditions. Based on their current usage, it can be presumed that the supervision and payment conditions today for the diagnosis of cardiac disease will be sufficient for physician adoption for mental health diagnosis.

ASX Market Update



Medibio Limited (ASX: MEB)

- The current average US\$45 per test rebate net to Medibio under the codes should support strong margins based on Medibio's likely cost structures.
- If a reimbursement strategy is based around expanding indications for payment from existing payors/insurers within the existing CPT and ICD9 codes, full national reimbursement coverage is possible within 24 months from FDA approval.
- Ametus defines the total revenue opportunity, based on depression alone, at US\$2.3 billion with a potential market share of 5% within 5 years. This would generate revenue of approximately US\$100 million annually.

About Medibio Limited

Medibio (ASX: MEB) is a medical technology company developing a new diagnostic test for depression and other mental health disorders. This test is based on measured differences in circadian heart rate and measures of heart rate variability. The technology is based on the discovery that circadian heart rates are sensitive measures for depression and other mental health disorders, and consists of a heart monitor that sends recordings wirelessly to the internet where a proprietary algorithm analyses and delivers a quantifiable diagnosis. The technology has the potential to be the first FDA-approved objective, evidence based approach to the diagnosis of depression and other affective disorders. It has already benefited from 10 years of laboratory research, and Medibio is undertaking pivotal studies to validate its clinical utility with the University of New South Wales, Black Dog Institute, and The Johns Hopkins University School of Medicine in Baltimore, USA.

Located in Sydney, NSW, Medibio is listed on the Australian Securities Exchange.

Further Information:	
Medibio Shareholder Enquiries: Kris Knauer Executive Director: Medibio Limited kris.knauer@Medibio.com.au T: +61 (0)411 885 979	Medibio Investor Relations: Peter Taylor NWR Communications peter@nwrcommunications.com.au T: +61 (0)412 036 231

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Medibio Limited (formerly BioProspect Limited)

ABN

58 008 130 336

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (...9... months) \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) staff costs	(187)	(200)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(772)	(1,745)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	4
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Other (GST & R&D refunds)	185	197
Net operating cash flows	(774)	(1,745)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (.9..... months) \$A'000
1.8 Net operating cash flows (carried forward)	(774)	(1,745)
1.9 Cash flows related to investing activities		
Payment for acquisition of:	-	-
(a) businesses (item 5)	-	-
(b) equity investments	-	(558)
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other	-	-
	-	(558)
Net investing cash flows		
1.14 Total operating and investing cash flows	(774)	(2,303)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	1,770	2,770
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	835
1.18 Repayment of borrowings	-	(100)
1.19 Dividends paid	-	-
1.20 Other (Convertible note interest)	-	-
Net financing cash flows	1,770	3,505
Net increase (decrease) in cash held	996	1,202
1.21 Cash at beginning of quarter/year to date	302	96
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	1,298	1,298

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	22
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Directors fees for the quarter

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

On 6 March 2015 the Shareholders of Medibio Limited at a General Meeting, approved 16 Resolutions including equity consolidation and conversion of debt to equity. Also approved were the acquisition of Invatec Health Pty Ltd and a capital raising of up to \$3million by the issue of shares at \$0.30. These transactions were finalised 7 April 2015

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	8	9
4.2 Deposits at call	1,290	293
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	1,298	302

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	Invatec Health Pty Ltd	
5.2 Place of incorporation or registration	W A	
5.3 Consideration for acquisition or disposal	\$7,661,250 by the issue of 25,537,500 MEB shares	
5.4 Total net assets	(\$368,000)	
5.5 Nature of business	Developer of a quantitative approach to testing for mental health including depression using heart rate variability	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 30 April 2015
 (Company secretary)

Print name: Robert Lees

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.