

# Quarterly Activities and Cash Flow Report



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

## Highlights

- Completed the development and testing of its Corporate Stress Product - a world first, cloud-based scalable product including real-time ECG Data Streaming and Algorithm Processing
- First commercial agreement for Corporate Stress Product with an Australian corporation as the foundation customer (10,000+ employees in Australia – with potential to roll out across entire workforce)
- Launched Corporate Wellness Partner Program with an agreement signed with one of the largest private corporate mental wellness providers in Western Australia
- NDA’s with four significant US-based corporates during US visit, covering a spectrum of device manufacturers, integrated health and wellness providers and technology companies
- Strong response received from universities and corporates following US Business Development
- Raised \$3.1M enabling acceleration of a number of studies and initiatives including; PTSD, Anxiety Disorder and commercialisation of the Corporate Stress Product
- R&D rebate of \$1.8 million anticipated.

## Corporate

The Company raised \$3.1 million by the placement of 7,730,087 ordinary shares at a price of \$0.40. The placement was strongly supported by domestic institutions with Foster Stockbroking acting as sole Lead Manager for the capital raising. Medibio is using the placement proceeds to fast track the commercialisation of its Circadian Heart Rate (CHR) technology.

Medibio has lodged its Australian R&D tax Rebate application and is currently finalizing the application on its US R&D expenditure. The company anticipates that it will receive total R&D rebates of approximately \$1.8 million for the 2015 Financial Year. Of this approximately \$1.2 million is expected to be received in the current quarter with the remaining \$0.6 million anticipated to be received next quarter. This rebate, in conjunction with the recent \$3.1m capital raising sees the company well-funded.

## Corporate Stress Product - *Development and testing completed*

During the quarter the Company completed the development and testing of its world first, cloud-based scalable Corporate Stress Product including real-time ECG Data Streaming, Algorithm Processing and Data Analytics. Medibio’s corporate stress product is the first objective test to measure the level of stress and its impact on health and wellbeing. The Company successfully tested end-to-end automation including streaming of live data from a range of ECG monitors via the front end App on a range of smart phones, to its cloud-based proprietary Algorithms and Data Analytics solution and near real-time results back to the front-end App.

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## ***First Commercial Agreement Signed with major Australian Corporation***

Following completion of development of its corporate stress evaluation product, the Company signed its first commercial service agreement with a major Australian corporation with in excess of 10,000 employees. The agreement is the first of a series of corporate agreements that Medibio has been progressing for its products.

The service agreement covers the application of two Phases within the overall stress evaluation and intervention program and will initially be conducted on a pilot population of employees. Phase 1 will involve an objective measurement of employee stress symptoms through the use of Medibio's Circadian Heart Rate (CHR) pattern technology.

Phase 2 will involve the development of an online mental health training program/app. This intervention will be specifically designed for the corporation's workforce, and aimed to reduce stress and improve coping skills based upon workplace data and information provided by employees. Stress levels will be assessed twice in Phase 2, at baseline and following the completion of the intervention. Phase 2 will thus provide an objective assessment of changes to stress levels following this purpose-built intervention.

Medibio will generate revenue of \$100 per participant from each Phase of the program. Following completion of Phase 2 of the Commercial Pilot, contingent on Pilot results, it is anticipated that Medibio's Corporate Stress product will be rolled out across the organisation's entire staff base.

## ***Launched Corporate Wellness Partner Program***

The Company launched its Corporate Wellness Partner Program with the execution of a Commercial Service Agreement to provide its Corporate Stress Product to mental wellness provider Vital Conversations.

Vital Conversations provides proactive psychological health services to some of the largest corporates in Western Australia as well as the public and not for profit sectors. It will offer Medibio's Corporate Stress product to its existing executive and private customers and will also seek to roll out the Company's Corporate Stress product to Corporate and Public sector clients on a pilot basis.

Under the service agreement, Vital Conversations will be responsible for the acquisition of the ECG monitors, any other hardware and the implementation of the test to its client base, while Medibio will provide data analytics and reporting and will be paid on a per-test basis.

The terms of the agreement cannot be disclosed due to commercial sensitivities however is in line with Medibio's business plan. It is anticipated that that majority of the roll out will commence from 2016. The intention is to proceed with a full commercial rollout upon successful completion of commercial pilots with various organisations. Discussions are advancing with a number of other potential customers both in Australia and internationally, with the Company having been approached by a number of potential Corporate Wellness partners.

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## US trip – Strong response from US Corporates and Universities

During the quarter, the Company visited the US to undertake a series of meetings with major corporates that had expressed an interest in partnering and to discuss research collaboration with a number of leading US Universities. The Company also took the opportunity to gauge potential US investor interest in the company. The Company received an extremely favourable response at both the investor and broker level, with US brokerage house Arrowhead commencing coverage of Medibio with an initial research report having been released. The Company received strong interest from a number of other US brokers.

The Company had a series of positive meetings with a number of the leading Universities in the US and Canada - with all institutions visited expressing their desire to collaborate with Medibio on research. The research will focus on not just depression, but other mental health disorders including Post Traumatic Stress Disorder, Anxiety Disorder, mixed depression and anxiety, and Panic Disorder. Some institutions have data sets including 12 hour, or longer, ECG data and corresponding clinical psychiatric diagnoses which can be used fast track blinded validation trials of Medibio's technology.

Subsequent to the end of the quarter, a research agreement was struck with the University of Ottawa's affiliation, The Royal's Institute of Mental Health Research (IMHR) to undertake a study titled, "*Detailed Analysis of Sleep Physiology in Mental Disorders*". The aim of the study is to assess the validity and specificity of MEB's CHR technology across a range of mental illnesses.

## About Medibio Limited

Medibio (ASX: MEB) is a medical technology company developing a new objective test to assist in the diagnosis of depression and other mental health disorders and chronic stress. This test utilises circadian heart rate variability. The technology is based on measured differences in circadian heart rate and measures of heart rate variability. The technology is based on the scientific finding that circadian heart rate variability is a sensitive measure for depression, other mental health disorders and chronic stress. The technology consists of a heart monitor that sends ECG recordings wirelessly to the internet where a proprietary algorithm analyses and delivers a quantifiable measure which can be used by a clinician to assist in diagnosis. The Technology has the potential to be the first FDA-approved objective, evidence based approach to the diagnosis of depression and other mental health disorders. The technology has already benefited from 10 years of laboratory research and Medibio is undertaking a number of pivotal studies to validate its clinical utility.

Further Information:	
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# 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

ABN

58 008 130 336

Quarter ended ("current quarter")

30 September 2015

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (...3... months) \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) staff costs	(90)	(90)
(b) advertising and marketing	-	-
(c) research and development	(283)	(283)
(d) leased assets	-	-
(e) other working capital	(441)	(441)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	2
1.5 Interest and other costs of finance paid	(56)	(56)
1.6 Income taxes paid	-	-
1.7 Other (GST refunds)	98	98
<b>Net operating cash flows</b>	<b>(770)</b>	<b>(770)</b>

+ 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 (..3..... months) \$A'000
1.8 Net operating cash flows (carried forward)	(770)	(770)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:	-	-
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(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	-	-
	-	-
<b>Net investing cash flows</b>		
<b>1.14 Total operating and investing cash flows</b>	(770)	(770)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	3,092	3,092
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (less Equity raising costs)	(244)	(244)
	2,848	2,848
<b>Net financing cash flows</b>		
<b>Net increase (decrease) in cash held</b>	2,078	2,078
1.21 Cash at beginning of quarter/year to date	948	948
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 <b>Cash at end of quarter</b>	3,026	3,026

+ 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	32
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
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**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

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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

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**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	-	-

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+ See chapter 19 for defined terms.

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

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**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	244	214
4.2 Deposits at call	2,782	734
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.23)	<b>3,026</b>	<b>948</b>

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

**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 October 2015  
 (Company secretary)

Print name: Robert Lees

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+ 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.

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