

ASX Announcement

Medibio Limited – 18 NOV 2016



Capital raising of \$13.5 million to accelerate growth

Sydney, Australia – 18 September 2016: Medibio Limited (MEB or the Company) is pleased to announce that it has received firm commitments to raise \$13.5 million via the placement of 33,750,000 ordinary shares at a price of \$0.40. The placement will be conducted in two tranches with the first tranche using the Company's existing placement capacity of 20,128,477 shares under ASX Listing Rule 7.1. and 7.1A and the Tranche 2 shares of 13,621,523 to be issued following approval at the Annual General to be held on 29 November 2016.

The majority of the placement proceeds are intended to fast track the clinical pathway of the business. This follows the breakthrough results in the 889 person University of Ottawa Institute for Mental Health Research (IMHR) Depression Study, in which Medibio achieved an 86% accuracy for distinguishing individuals with depression from non-depressed individuals. This clinical stream will involve fast tracking studies⁽¹⁾ in addition to the current Johns Hopkins University study which will provide the clinical data to support an FDA submission as a diagnostic aid for major depressive disorder. Studies to provide the clinical data to support FDA and CE Mark filings, and the associated regulatory work, covering depression treatment efficacy, gradations of depression and general anxiety disorder will now be brought forward.

The placement was oversubscribed from domestic and foreign institutions with Fidelity International, on behalf of various accounts, entering the register and becoming a major shareholder. We are thankful to our existing shareholders for their strong support in the Company and we appreciate the support of Fidelity International and our incoming investors as we enter a very exciting period for Medibio.

Hunter Capital Advisors and Foster Stockbroking acted as Joint Lead Managers for the capital raising with Cove Capital acting as broker to the issue.

Additional disclosure required by listing rule 3.10.5A

In accordance with listing rule 3.10.5A in relation to shares issued under the company's 7.1A capacity details of the placement are:

Effect of raising

The effect of the announced raising on the capital structure of the Company is set out below.

	Number	Dilution
Shares currently on issue	111,643,483	
Placement		
Shares to be issued under LR7.1 placement capacity	9,586,720	6.59%
Shares to be issued under LR7.1A placement capacity	10,541,757	7.25%
Tranche 2 shares to be issued following approval Annual General to be held on Nov 29 2016		

Shares to be issued under LR7.1 placement capacity	2,457,175	1.69%
Shares to be issued under LR7.1A placement capacity	11,164,348	7.68%
Total Shares on issue after completion of the Placement	145,393,483	23.21%

The Board believe the benefits flowing from funds raised in this placement at 7.4% discount to 5 day VWAP outweigh the inability of shareholders to participate. The additional funds will allow the Company to:

- undertake studies ⁽¹⁾ to provide the clinical data to support FDA and CE Mark filings, and the associated regulatory work for these filings, treatment efficacy for depression, gradations of depression and general anxiety disorder.
- allocate a significant budget to its Workplace Mental Wellness product for commercialisation as well as the potential Consumer Mental Wellness product
- the flexibility to retire the US\$2.5m Convertible Note early which would leave the company debt free and simplify the capital structure

The issue is not underwritten and direct costs of the raising are a 6% (plus GST) commission on funds raised under the Placement.

Further Information:		Website: www.medibio.com.au
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(1) Proposed studies to support filings may change subject to economic work underway with the leading payers

About Medibio Limited

Medibio (ASX: MEB), is a medical technology company that has developed an objective test to assist in the diagnosis of depression, chronic stress and other mental health disorders. Based on research conducted over 15 years at the University of Western Australia, this test utilizes patented (and patent pending) circadian heart rate variability and cloud based proprietary algorithms delivering a quantifiable measure to assist in clinical diagnosis. Medibio's depression diagnostic is being validated in clinical studies undertaken by Johns Hopkins University School of Medicine and The University of Ottawa, among others. The clinical trials will support Medibio's application to become the first FDA approved, objective, and evidence based approach to the diagnosis of mental health disorders. Medibio's technology also provides an objective method for the assessment of stress and mental wellbeing that can be translated to the workplace stress/wellbeing market, wearable technology and App market. Located in Melbourne (Vic) Medibio is listed on the Australian Securities Exchange Ltd.