

## Medibio signs first commercial agreement for its corporate stress product

- Signs agreement with a major Australian corporation as foundation customer
- The corporation has more than 10,000 employees in Australia
- Revenues from commercial agreement expected in current calendar year
- Potential to roll program out across entire workforce

**Sydney, Australia – 27 August 2015:** Medibio Limited (**MEB** or the **Company**) has executed its first commercial service agreement to provide its corporate stress evaluation product with a major Australian corporation. The customer corporation, which cannot be disclosed due to commercial sensitivities, has in excess of 10,000 employees.

Medibio's corporate stress product is the first objective test to measure the level of stress and its impact on health and wellbeing. It also includes a series of app based intervention (or treatment) modules tailored specifically for the employees stress level.

This agreement will bring revenue to Medibio in the current year and is the first of a series of corporate agreements that the company has been progressing for its products.

### **SERVICE AGREEMENT**

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 staff member from each Phase of the program with revenue anticipated this calendar year. 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 organisations entire staff base.

In commenting on the agreement the CEO of Medibio Kris Knauer said: ***"We are excited to have signed our first customer for our corporate stress product as it validates our commercial model. We believe there are significant financial opportunities in global corporate markets for our technology which we believe is the only available tool to quantitatively assess and monitor employee stress in an evidence based manner."***

## **CORPORATE STRESS PROGRAM**

The aims of this program of work are to:

1. Assess the levels stress and resilience amongst employees using CHR technology and validated stress questionnaires
2. Provide a corporate dashboard of organisational unit aggregated measures of stress and risks for management
3. Identify how overall stress (including workplace related stress) and personal factors (e.g. health, work-life balance, coping strategies) might be associated with employee stress levels
4. Use information obtained from employee health, and stress assessments to tailor Medibio's online training program/app designed to improve stress-management, coping and resilience for the organisation's workforce.
5. Comprehensive assessment of the efficacy of the purposely built corporate online training program/app for the lowering of stress and improved mental health of the workforce.

## **ABOUT MEDIBIO'S CORPORATE STRESS PRODUCT**

Medibio's corporate stress product comprises the first objective test to measure the level of stress and its impact on health and wellbeing in the workplace. It also includes a series of app based intervention modules tailored specifically for each employee's determined stress level.

The stress test is based on a series of new algorithms that have been developed to measure the type and degree of deviation of the subject's CHR from normal, and the diagnostic significance of this deviation. Medibio's new algorithms accurately classify individuals into one of three categories based on the impact stress has had on their health and wellbeing:

1. **normal to mild:** where no immediate action needed
2. **moderate:** the impact of stress is approaching unhealthy levels
3. **serious:** stress has had an unhealthy impact and lifestyle changes are recommended

## **BACKGROUND ON STRESS AND WORKPLACE MENTAL WELLNESS**

According to the most recent surveys, excessive stress is prevalent in approximately one quarter of the population <sup>1,2</sup> with over 70% citing the workplace and financial situation as primary causes of stress. Recent research undertaken by the Workplace Health Association Australia indicated that 65% of Australian employees reported moderate to high stress levels, and 41% had psychological distress levels considered to be at-risk <sup>3</sup>. Workplace stress costs Australian employers an estimated \$10.1 billion annually <sup>4</sup>

Stress is known to be the key precipitating factor to many mental health problems including depression. Recent evidence suggests that many mental health problems are preventable<sup>5</sup>, with adverse psychosocial work environments known to be a risk factor for mental disorders <sup>6</sup>. These two points highlight the importance of workplaces working proactively to prevent and mitigate the onset of mental health problems. Therefore, work-based interventions can both reduce a known risk factor<sup>7</sup>, while enhancing individual coping skills and resilience. High stress levels and depression at the workplace can be linked to frequent staff turnover, poor morale and reduced work performance, resulting in higher costs for employers<sup>7</sup>.

Various US studies of the economic impact of stress variously estimate the cost of stress to US employers between US\$200 billion to US\$300 billion annually. Workplace stress is estimated to cause 19% of absenteeism that has been estimated to cost a typical major enterprise \$3.5 million annually. This impact of stress and other mental disorders is now beginning to be recognised by employers, particularly in the US, where 70% of corporates with 200 or more employees now offer corporate wellness programs. With an annual wellness program spend of US\$100-500 per employee the overall size of the workplace wellness market in the US is estimated at US \$8.2 billion annually (8).

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## **ABOUT MEDIBIO LIMITED**

Medibio (ASX: MEB), is a medical technology company developing a new objective test to assist in the diagnosis of depression, other mental health disorders and chronic stress. This test utilizes circadian heart rate variability, which is a sensitive measure for depression and other mental health disorders and chronic stress. The technology consists of a heart monitor that sends ECG recordings wirelessly to the cloud where a proprietary algorithms analyse 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 15 years of laboratory research and Medibio is undertaking a number of pivotal studies to validate its clinical utility. Augmenting a business model based on the commercialisation of an approved diagnostic device, Medibio has developed, and is commercialising a stress test. This test is a credible method for the diagnosis of stress and mental wellbeing that can be easily translated to the workplace stress/wellbeing market, wearable technology, and App market. This stress market can be accessed without regulatory approval. Located in Sydney, NSW, Medibio is listed on the Australian Stock Exchange.