

## ASX ANNOUNCEMENT

### SUPPLEMENTARY INFORMATION ON ANNUAL GENERAL MEETING RESOLUTIONS

**SYDNEY: Thursday, 26 July 2019: Cellmid Limited (ASX: CDY)** provides the following supplementary information on Resolution 3 and Resolution 4 to be read in conjunction with the Notice of Annual General Meeting/Proxy Form released 18 October 2019.

#### **Resolution 3. Approval of Issue of Incentive Options to Maria Halasz, Director of the Company**

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 3,000,000 unlisted and unvested options to Maria Halasz, a Director of the Company (or her nominee), as short term and long term incentives and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

#### **Supplementary Information**

The incentive options proposed by Resolution 3 are consistent with those issued to employees of the Company under the Company's Employee Incentive Plan on 30 July 2019. The Incentive Options for all employees consist of both short-term (STI) and long-term (LTI) options with the STI options vesting on 30 June 2020 and the LTI options on 30 June 2022, unless certain KPI's are met before.

Each employee then has further specific KPIs (Key Performance Indicators) to meet which entitle them to specific portions of the total options.

It is proposed by the resolution that Maria Halasz be issued with 1,000,000 unvested and unlisted STI options and 2,000,000 unvested and unlisted LTI options each exercisable at a 10% premium to the 30 day VWAP of the Company's share price on the date of issue.

The vesting conditions for the STI options are as follows:

- Achievement of profitability for the consumer health business in FY2020;
- Significant progress of the midkine portfolio towards clinical development and/or preparation of the program for partnering during FY2020; and
- Achievement of regulatory/import approval of the evolus products outside of Australia during FY2020.

The vesting conditions for the LTI options are as follows:

- Significant increase in the value of the consumer health assets. The Company does not provide revenue forecasts to the market, therefore specific targets in relation to this vesting condition will not be released;
- Value creation in the Lyramid asset portfolio. The Company has not released specific valuation and timetable for this event and therefore further details will not be released;
- The relative out-performance of the Company's shares over a 3-year period, commencing 1 July 2019 and ending 30 June 2022, compared to the Total Shareholder Return (TSR) of the S&P/ASX 300 Accumulation Index, expressed as an annual percentage.

The Board is satisfied that the performance hurdles for the Issue of Incentive Options to Maria Halasz are aligned with shareholders' interests with specific targets including revenue growth, profitability and share price performance. Further, the Board is confident that the successful execution of these performance targets will create significant value for shareholders in the short term and over the long term.

#### **Resolution 4. Approval of Issue of Director Fee Shares to Dennis Eck**

"That, for the purposes of ASX Listing Rule 10.11, the Shareholders of the Company approve the issue and allotment of 217,391 fully paid ordinary shares to Dennis Eck, a Director of the Company (or his nominee), and otherwise on the terms set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

#### **Supplementary Information**

As outlined in the Notice of Meeting, Dennis Eck was appointed as a Director of the Company on 26 March 2018. Under his agreed terms of appointment, Mr Eck is to receive his Directors' fees entirely as shares and has not received any cash compensation for his role as non-executive director of Cellmid Limited. If approval is not received for the issuing of 217,391 shares representing unpaid director's fees, the Company will be required to compensate Mr Eck by the payment of \$50,000, the amount outstanding under his agreement.

#### **CONTACT**

##### **Company**

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##### **Cellmid Limited (ASX: CDY)**

Cellmid is an Australian life sciences company with a consumer health business and biotech assets in development. Advangen is Cellmid's wholly owned subsidiary engaged in the development and sale of first in class, best in class, clinically validated anti-aging products for hair, skin and body. Advangen has a range of FGF5 inhibitor hair growth products which are sold in Australia, Japan, USA and China. Advangen has a rich portfolio of hair growth and anti-aging hair care assets which include formulations of products on market, trademarks, patents and patent applications, proprietary assays and manufacturing processes. For further information, please see [www.cellmid.com.au](http://www.cellmid.com.au) and [www.myevolis.com.au](http://www.myevolis.com.au). Cellmid also has a wholly owned subsidiary, Lyramid, developing innovative novel therapies and diagnostic tests for age related diseases. Cellmid holds the largest and most comprehensive portfolio of intellectual property relating to the novel targets midkine (MK) globally.

#### **Forward looking statements**

This announcement may have forward-looking statements that are subject to risks and uncertainties. Such statements involve known and unknown risks that may cause the actual results, performance or achievements of Cellmid to be materially different from the statements in this announcement. Actual results could differ materially depending on factors such as the availability of resources, regulatory environment, the results of marketing and sales activities and competition.