

ASX ANNOUNCEMENT

AGREEMENT SIGNED FOR SALE OF LYRAMID LIMITED

- **Agreement signed for the sale of Lyramid Limited (“Lyramid”), Cellmid’s wholly owned biotech subsidiary, on a going concern basis**
- **Cellmid receives \$500,000 upfront payment**
- **The midkine research and development program will be fully funded by the buyer with solid commercial prospects**
- **Cellmid will retain the benefit of future upside with 4% royalty on product sales by Lyramid (8% on sub-license income)**
- **A 4% fee is payable to Cellmid on sale of Lyramid shares by the buyer above a certain valuation**
- **Chief Scientific Officer of Lyramid, Associate Professor Graham Robertson, will continue in his role following the sale**

SYDNEY, Thursday, 29 April 2021: Cellmid Limited (ASX: CDY) (“Cellmid”) is pleased to advise that it has signed a binding Agreement for Sale of Shares (“Agreement”) with Provelmare Holding SA (“Provelmare”), a Panama based company for the sale of Lyramid Limited, its wholly owned research and development subsidiary focused on commercializing its midkine intellectual property portfolio. The sale is on a going concern basis and Lyramid’s business, including employees, contractors and collaborators remain intact following the sale.

In addition to the immediate cash payment of \$500,000 the divestment of Lyramid will deliver a number of tangible benefits to Cellmid shareholders. The Company will be able to solely focus on its consumer health business to execute on its growth and profitability objectives. It will retain the right to participate in the potential upside from the assets through royalties without the need to dedicate further shareholder funds to the commercialization programs. Overall, it will save close to one million dollars annually by reducing research personnel and relinquishing the financial responsibility for patent filing and maintenance, amongst other costs related to Lyramid. Key terms of the Agreement are:

- Cellmid receives a cash consideration of \$500,000, payable at the time of completion;
- Cellmid will be reimbursed for costs incurred in relation to midkine research and development between 1 January 2021 and 28 April 2021;
- Provelmare will provide funding to Lyramid to execute on an agreed product development program;
- The intellectual property license between Cellmid and Lyramid, signed on 1 August 2020, remains on foot and will provide for:
 - a. A royalty of 4% payable to Cellmid on net sale of products developed and sold;
 - b. A royalty of 8% payable to Cellmid on net sub-licensing revenue.
- Physical midkine assets essential for the commercialisation of the intellectual property will be transferred to Provelmare;
- Lyramid is sold as a going concern with its operations intact including research and development collaborations, commercial agreements, employees and physical assets critical to the successful development of the midkine program. A service agreement between Lyramid and Cellmid will be signed to provide continuity and ongoing support.

Although Cellmid received in-principle advice from the ASX that the sale of Lyramid was not required to be approved by shareholders pursuant to the ASX Listing Rules, shareholders' approval was sought at Cellmid's AGM in November 2020 where the resolution to sell Lyramid was passed.

"We are delighted to hand over this exciting drug development program to its new owner, Provelmare Holdings. Their commitment to funding the development of the midkine intellectual property, their sole focus and the continuity of operations will increase the likelihood of success of this promising technology" said Cellmid CEO Maria Halasz.

"We are very excited to have the opportunity to develop the midkine drug development program and continue with the significant groundwork by Cellmid and its collaborators to take the project through its next value inflection point" said Sebastien de Massy, Founder of Provelmare.

Background

Cellmid owns the most comprehensive intellectual property (IP) portfolio around midkine globally with 46 patents and patent applications and significant physical assets including hybridoma cell lines, midkine antibody stock and midkine protein. The Company licensed this midkine intellectual property to Lyramid on arm's length terms on 1 August 2020. Pursuant to the license agreement Lyramid has the exclusive rights to commercialize the IP.

Midkine is an important novel therapeutic target. It is a growth factor abundant during embryonic development but is almost undetectable in healthy adults. It reappears in certain pathologies, including inflammatory diseases and cancer, becoming readily detectable in blood and other tissues.

Extensive pre-clinical and human diagnostic data has been generated by Cellmid over the past ten years utilizing the Company's proprietary midkine antibodies and MK ELISA demonstrating early efficacy in several inflammatory and autoimmune diseases and cancer. The Company also has a number of research collaborations leveraging its physical assets and expertise through which further data emerged over the years supporting its own extensive body of evidence of midkine's importance as a therapeutic target.

Independent research into midkine biology and its role in various disease states has intensified recently and resulted in fifteen new, independent publications since January 2021, not only validating midkine as a disease target but highlighting potential areas for commercialization. This, together with Cellmid's own data, provides a strong impetus to fund these promising programs.

Provelmare initially intends to fund the IND enabling studies of Lyramid's midkine therapeutics, which will include selection of the therapeutic agent, carrying out in vitro and pre-clinical validation, pre-clinical safety and efficacy studies and GMP manufacture of the drug product.

Approved for release by the Board of Directors.



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Cellmid Limited (ASX: CDY)

Cellmid is a health and beauty-tech business growing shareholder value through the global distribution and sales of its proprietary brands of differentiated, clinically validated longevity and anti-aging solutions. Advangen Limited is Cellmid's wholly owned subsidiary engaged in the development and sale of first in class, best in class, clinically validated products for hair, skin and body. For further information, please see www.cellmid.com.au and www.evolisproducts.com.au.

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.