

ASX ANNOUNCEMENT

MINIMUM HOLDING SHARE BUY-BACK

SYDNEY: Tuesday, 19 March 2019, Cellmid Limited (ASX: CDY) is pleased to announce that it intends to undertake a buy-back of fully paid ordinary shares for holders of unmarketable parcels of shares in the Company (**Buy-Back**). Under the ASX Listing Rules, any shareholding valued at less than \$500 is considered to be an "unmarketable parcel" of shares.

The Buy-Back will allow shareholders who hold unmarketable parcels of shares in the Company (**Eligible Shareholders**) to sell their shares back to the Company at the Buy-Back price of 23 cents per share, being the Volume Weighted Average Price for the 5-day trading days preceding 18 March 2019. These shares will be cancelled once transferred to the Company in accordance with the *Corporations Act 2001*.

The Company has decided to undertake the Buy-Back in order to:

- assist Eligible Shareholders to sell and realise their shares without incurring brokerage and other expenses. The Company will pay for all costs related to this Buy-back (excluding tax consequences from the sale which remains the shareholder's responsibility); and
- reduce administrative costs associated with maintaining a large number of very small holdings.

In accordance with the *Corporations Act 2001*, the Company does not need shareholder approval for the buy-back of these shares, however Eligible Shareholders are able to opt-out of the Buy-Back. Based on the Buy-Back price per share and the register of members of the Company as at 7pm (AEDT) on 15 March 2019 (**Record Date**):

- a. an unmarketable parcel of shares is any shareholding of 2,173 shares or less;
- b. 677 shareholders (34.79% of the Company's shareholders) hold an unmarketable parcel;
- c. 0.73% of the Company's ordinary shares held by shareholders are unmarketable parcels; and
- d. the aggregate value of the Company's ordinary shares held by Eligible Shareholders is \$140,642.

Shareholders who own 2,174 shares or more on the record date will not be eligible to participate in the Buy-Back.

The Company is sending the attached letter to Eligible Shareholders. Those who wish to retain their shares must either:

- (i) lodge their Share Retention Form online on the following link:
<https://investor.automic.com.au/#/home>;
- (ii) complete and return the attached Share Retention Form so that it is received by 5pm (AEST) on Friday, 17 May 2019 (**Closing Date**); or
- (iii) top up your holding to a marketable parcel by either merging multiple holdings or acquiring additional shares in the Company on market such that your registered holding at the Closing Date (no later than 5 pm (AEST) on Friday, 17 May 2019) is greater than 2,173 shares.

For and on behalf of the Board

Yours faithfully

Maria Halasz

CEO and Managing Director

CONTACT

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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 and www.myevolis.com.au. Cellmid also has two wholly owned subsidiaries, Lyramid and Kinera, which develop innovative novel therapies and diagnostic tests for fibrotic diseases, cancer and ischemic diseases of the heart. 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.

19 March 2019

Dear Shareholder

Offer by CELLMID Limited ACN 111 304 119 (Company) to buy-back unmarketable parcels of shares (Offer)

As announced on 19 March 2019, the Company intends to complete a minimum holding share buy-back for holders of unmarketable parcels of shares in the Company as at 7pm (AEDT) on 15 March 2019 (**Record Date**).

The directors of the Company recognise that shareholders with a value of \$500 or less may encounter difficulties selling their shares on the ASX. In order to allow these shareholders to sell their shares without incurring brokerage and other expenses, and to reduce the administrative and registry costs for the Company that are associated with unmarketable parcels, the directors have resolved to undertake a buy-back of unmarketable parcels of shares under the terms set out in this Offer and the procedure in Division 2 Part 2J.1 of the Corporations Act 2001 (Cth) (**Buy-Back**).

Shares purchased by the Company under the Buy-Back will be cancelled in accordance with section 257H of the Corporations Act.

Under the Listing Rules of the Australian Securities Exchange, any shareholding valued at less than \$500 is considered to be an "unmarketable parcel" of shares. Based on the Buy-Back price of \$0.23 cents per share (being the Volume Weighted Average Price for the 5 day trading days preceding 18 March 2019, an unmarketable parcel of shares is any shareholding of 2,173 shares or less. Our share registry shows that the number of shares held by you or an entity that is associated with you is an unmarketable parcel, which makes you one of the Eligible Shareholders.

On the basis of the Buy-Back price and the register of members of the Company as at 15 March 2019:

- (1) 677 out of 1,946 (34.79%) shareholders hold an unmarketable parcel; and
- (2) the aggregate value of ordinary shares held by all holders of unmarketable parcels is \$140,642.

It is important to note that the market price of the Company's shares will change from time to time. The buy-back price under the Buy-Back may be more or less than the actual market price at the time of the sale and may not be the best price obtainable on the day on which your shares are bought back. The Company will not buy-back your shares if you wish to retain your shareholding.

Your options under the Offer are as follows:

- (1) **If you would like the Company to purchase your unmarketable parcel** of shares at \$0.23 cents per share, you do not need to do anything.
- (2) **If you wish to opt out of the Offer**, that is you do not want your shares to be purchased by the Company under the Buy-Back, you must either:
 - (i) lodge your Share Retention Form online at <https://investor.automic.com.au/#/home>;
 - (ii) complete and return the attached Share Retention Form so that it is received by 5pm (AEST) on Friday, 17 May 2019 (**Closing Date**); or
 - (iii) top up your holding to a marketable parcel by either merging multiple holdings or acquiring additional shares in the Company on market such that your registered holding at the Closing Date (no later than 5 pm (AEST) on Friday, 17 May 2019) is greater than 2,173 shares.

You are requested to allow reasonable time for the Share Retention Form to be received by the Company. If you hold shares in multiple holdings, some of which are unmarketable parcels, then the Company will purchase those unmarketable parcels unless a Share Retention Form is received for each holding.

If your shareholding is purchased, the sale proceeds will be forwarded to you by the Company as soon as practicable. There will be no brokerage fees payable by shareholders whose shares are purchased by the Company under the Offer.

The Company makes no recommendation as to whether you should participate in the Offer. You should seek independent professional advice when deciding whether to retain your shares or, if you have any questions on how the sale may affect you.

While the Company will pay for all costs associated with this sale, any taxation consequences arising from the sale of your unmarketable parcel(s) under the Offer will be your responsibility. Please consult your legal, financial or taxation advisor if you require information regarding possible taxation implications of the sale of unmarketable parcels under the Offer.

If you require further information in respect of the Offer, please contact the Company on info@cellmid.com.au or +612 9221 6830.

For and on behalf of the Board
Yours faithfully

Ms Maria Halasz
CEO and Managing Director