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30 June 2021

Australian Securities Exchange
Company Announcements Platform

SCU ENTERS INTO STAGE 2 OF BINDING COLLABORATION AGREEMENT WITH TEMASEK POLYTECHNIC TO DEVELOP MARINE PLANT-BASED FOOD AND NUTRITION LAB

- Extension of binding agreement to develop aquaculture technology
- A marine plant-based food and nutrition lab will be established with SCU will make an in-kind contribution of S$280,000 through to April 2023 (slightly more than 50% of the total S$550,000 co-funding commitment)
- Increased capability to develop and commercialise new marine seaweed plant-based food products, which will complement its existing cultivation facility in Singapore
- Products to be commercialised include Sea Grape Burger, Green Caviar Sauce, Sea Grape Ice-Cream, and Low GI Seaweed Noodles

30 June 2021: Stemcell United Limited (ASX: SCU), a company developing multiple innovative assets and opportunities from land and sea based plants and plant stem cells, has entered into stage 2 of its binding collaboration agreement with Temasek Polytechnic in Singapore. This is an extension to the original milestone agreement signed by SCU with the Singapore Government education institute after launching its Sea Grape Project in 2020.

This agreement involves near commercialisation milestones of recipe formulation, consumer sensory evaluation and storage and packaging solutions that will materially contribute to SCU's progress in growing and selling sea grapes in urban cities such as Singapore. Growing and selling locally will reduce carbon footprints for cities that rely on food imports. Success in this technique will allow SCU to provide this scalable solution to other urban cities (eg Hong Kong and Macau) or coastal regions with limited arable land (eg Middle East).

After successful pilot production of sea grapes from SCU's St John Island facility, SCU entered into an initial 2 year collaboration agreement, as announced to the ASX on 27 May 2020, which saw the company engage with Temasek Polytechnic to develop a suite of seaweed-based food and nutrition products. The stage 1 collaboration has achieved or is about to achieve its milestones of setting up a sea grapes cultivation facility, identification of seed source, sea grape cultivation, initiation of staff and students, and exploration of sea grape downstream products. SCU has contributed about S$100,000 in kind to achieve the stage 1 milestones.

Stage 2 of the binding agreement extends collaborative research with Temasek Polytechnic by a further 12 months to 30 April 2023, and expands the scope of developing aquaculture solutions for the growth of seaweeds, including sea grapes (*Caulerpa lentillifera*) to the exploration of new marine plant-based products, research into formulation of foods, formulation and enhancement of recipes, nutritional analysis and sensory evaluation, and shelf life, storage and packaging studies. This is a key business activity of SCU as it builds its product portfolio based on marine seaweed plants, in addition to existing land plants of Resina, Dendrobium and Hemp. Temasek Polytechnic is the only Singapore government designated education and research institute with an emphasis on marine aquaculture, and it is part of the global Aquaculture Innovation Centre.

This collaboration agreement allows SCU to set up a laboratory in Temasek Polytechnic's campus, which will be operated by 6 senior professional staff from both parties, with half being SCU staff, namely Mr Cowen Lim (Projects Director), Mr Alan Lee (Operations Manager) and Ms Sadira Yeong (Technical Researcher). SCU's contribution will cover the cost of those salaries and consumables until the end of the agreement. The staff in the lab plus students will add considerably to SCUs capacity to develop and improve products.

The new lab, to be named as the "Sustainable Marine Plant-based Food and Nutrition Lab", will work hand in hand with SCU's existing laboratory on St John Island, Singapore. The primary focus of the new SCU lab at Temasek Polytechnic is to perform research and development into sustainable future food products, for both humans and animals, derived from tropical seaweed species. The new lab provides SCU with a significant uplift in this area of activity, and will serve as SCU's R&D department for marine seaweed plant-based food products.

In addition to developing aquaculture technology, the Sustainable Marine Plant-based Food and Nutrition Lab will have 50 students to participate in, and assist with, research and development. The establishment and operational costs of the lab will be met by contributions in kind from SCU and Temasek Polytechnic totalling about S$550,000. SCU is committing S$280,000 to cover staff salaries and consumables through to the end of the agreement in 2023. The new lab is expected to be operational in Q3 of 2021.

There will be joint ownership of new intellectual property developed under the collaboration. Commercialisation of the intellectual property developed will be undertaken by SCU. A sharing arrangement of the proceeds arising from the commercialisation of intellectual property rights will be further discussed at a later date. Currently, it is too early to estimate the expected revenue amount.

Either party may terminate the extended agreement immediately (by notice in writing) if the other party is in material breach of the agreement and that breach is not remedied within 30 days of the notice specifying the breach.

The CEO of SCU, Mr Philip Gu, commented, "Plant based food and nutrition is rapidly gaining traction and will play an indispensable role in helping support both human and animal health and wellness, as well as supporting the ecology of our planet. According to a report by Credit Suisse Research Institute released in June 2021 titled "The global food system: Identifying sustainable solutions", a change toward a plant-based diet appears inevitable if the global food system is to become more sustainable [1]. With this agreement, SCU will be able to access 2 lab facilities, the existing one on St. John Island and the new one within Temasek Polytechnic. It will position SCU one step closer to contributing to the inevitable change in diets towards plant-based nutrition, and to the Singapore government's "30 by 30" initiative, which is designed to increase Singapore local food supply to 30% by 2030".

"This agreement is a major milestone in SCU's sustainable business development. The agreement provides SCU with the opportunity to leverage a large pool of talent working in a purpose-built laboratory. This is likely to accelerate and expand our development of products derived from plants," Mr Gu added.

For further information, please visit our website www.scu.com.sg or contact:

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Authorised for lodgement by the Board of the Company

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[1] Credit Suisse Research Institute, The global food system: Identifying sustainable solutions, June 2021 credit-suisse.com/researchinstitute, p43

About Stemcell United

Stemcell United Limited (ASX:SCU) is a biotechnology and pharmaceutical company which focuses on the development, reproduction, culture and extraction of plant stem cells for traditional medicine. Its focus is on medicinal, health, beauty and anti-aging applications through its environmentally friendly patented technology. It has two main streams of activity – the development of products derived from marine-based plants, and the development of industrial hemp and CBD related products. SCU has successfully commercialised the processing and production of pharmaceutical grade *Resina Draconis* product for Asia.

About Temasek Polytechnic

Temasek Polytechnic is a post-secondary academic institution in Singapore. It is the third polytechnic established in the country. The Polytechnic teaches an industry-focused curriculum. Polytechnic graduates in Singapore are sought after for entry-level professional positions. Established in 1990, the campus of the institute sits on a 30 hectare plot in the eastern part of mainland Singapore. Currently, Temasek Polytechnic has approximately 14,000 full-time students and more than 1,200 academic staff.