



ASX Announcement

November 09, 2023

MEDLAB CLINICAL LIMITED SHAREHOLDER UPDATE – RESTRUCTURING TRANSACTION

Dear Shareholders,

Further to its previous announcements, Medlab Clinical Ltd (**Medlab** or the **Company**) is pleased to announce that it has today entered into two agreements to implement its proposed restructure (**Restructure Transaction**).

The Company notes that a general meeting will be held in due course to approve resolutions relating to the Restructure Transaction (**General Meeting**). The Company anticipates that it will send out a Notice of Meeting in the coming weeks.

In the interim, further details in respect of the agreements are set out below.

Background

As Shareholders will recall, the Company had taken steps to achieve a NASDAQ listing and had successfully obtained all requisite approvals. Due to the uncertainty in global financial markets, Medlab's American advisors recommended that the NASDAQ initial public offering be delayed.

The Company then pivoted to raising capital on the ASX, however, volatility in the market resulted in the Company not being able to secure firm commitments from its investors.

On 6 March 2023, Medlab engaged consultants at Hall Chadwick Chartered Accountants to assist with restructuring and marketing of the business. This involved significant investment of time and resources, with a global marketing campaign identifying over one hundred potential counterparties.

Negotiations with several groups highlighted interest in the Company's technology, however, interested parties sighted risk, volatile market conditions, and capital requirements as factors which prevented formal bids being presented.

Given this, the Board has resolved to proceed with the below:

- a) granting a licence agreement to an unrelated, third party for the use of the Company's NanoCelle technology (**Unrelated Party Licence Agreement**);
- b) subject to Shareholder approval at the General Meeting, the sale of 100% of the issued share capital in Medlab IP Pty Ltd (ACN 165 345 362) and Medlab Clinical US Inc. (Employer Identification Number 47 115 2520) (together, the **Subsidiaries**), which hold the Company's intellectual property, to Dr. Sean Hall, a Director of the Company (or his nominated entity) (**Related Party Sale Agreement**); and
- c) the Company undertaking a capital raising to raise funds for working capital and to provide the Company with funds to explore new business opportunities (**Capital Raising**).

Terms of accepted transactions

Related Party Sale Agreement with Dr Sean Hall – Subject to Shareholder Approval

The Company has entered into a share sale agreement with Dr. Sean Hall (a Director of the Company), whereby Medlab Pty Ltd, a 100% wholly owned subsidiary of the Company, will dispose to Dr. Sean Hall (or his nominated entity), 100% of the issued capital in the Subsidiaries, subject to Shareholder approval at the General Meeting (**Disposal**).



In consideration for the Disposal, Dr. Sean Hall (or his nominated entity) agrees to pay a 20% royalty (less costs) on any:

- (i) revenue received by Dr. Sean Hall (or his associated entity) for the sale of any products, in any industry, that utilise any part of the NanoCelle technology, and
- (ii) fees received by Dr. Sean Hall (or his associated entity) for the grant of any licence or sub-licence to use the NanoCelle technology,

for a period of 4 years commencing on the date of settlement of the Related Party Sale Agreement.

The Subsidiaries hold all of the Company intellectual property related to the Company's drug delivery technology (**Company IP**) and have the right to use this intellectual property in certain patent protected jurisdictions (**Protected Jurisdictions**). The Related Party Sale will therefore give Dr. Sean Hall the rights to exploit the Company IP in the Protected Jurisdictions.

The Board recommends that Shareholders approve the resolutions at the General Meeting relating to the Related Party Sale Agreement for the following reasons:

- a) Shareholders will benefit directly (in the form of a royalty payment) should commercialisation of the NanoCelle technology be successful.
- b) there are increased prospects of commercial success of the NanoCelle technology given Dr Hall's proprietary understanding of the NanoCelle technology; and
- c) there is a reduction in ongoing costs for Medlab which may enable the Company to seek new opportunities.

Unrelated Party Licence Agreement with T2 Pharmaceutical Pty Ltd – NOT subject to Shareholder Approval

The Subsidiaries have entered into a licence agreement with an unrelated, third party, being T2 Pharma Pty Ltd (ACN: 625 602 986) (**Unrelated Party**).

The Unrelated Party has been granted an exclusive licence to utilise the NanoCelle technology (**Licensed IP**) in geographical locations that are not currently patent protected by the Company (or its Subsidiaries) (being Mexico, Egypt, Indonesia, Sri Lanka, Pakistan, Fiji, Papua New Guinea, Malaysia, China, Japan, India, Vietnam, Thailand, Philippines, Africa and South America where there are no existing patents) (**Unprotected Jurisdictions**).

Under the Unrelated Party Licence Agreement, the Unrelated Party has exclusive rights to use the Licensed IP in the Unprotected Jurisdictions (**Exclusive Licensing Rights**).

In consideration for these Exclusive Licensing Rights, the Unrelated Party agrees to pay, directly to Medlab Shareholders, a royalty payment of 16.5% (less costs) of any:

- i) revenue received by the licensee for the sale of any product of the Unrelated Party's business that is produced using the NanoCelle technology (**Licensee Product**), and
- ii) fees received by the Unrelated Party for the grant of any sub-licence to a sub-licensee to use the NanoCelle technology to produce any products (**Sub-Licensee Product**),

for a period of 36 months commencing on the earlier of:

- i) a sale of a Licensee Product;
- ii) a sale of a Sub-Licensee Product, or
- iii) the receipt of any sub-licence fees for the use of the Licensor's Intellectual Property.

The Directors and Shareholders of the Unrelated Party are Nishnil Singh (25% shareholding) and Dharmit Kaushik Goradia (75% shareholding).

T2 Pharma is an innovative startup focused on leveraging cutting-edge technology to address unmet needs in the healthcare sector. With a commitment to patient-centric solutions, T2 Pharma is incorporated to acquire novel therapeutics that promise improved outcomes for patients with chronic and acute conditions. The company operates with a nimble, agile approach allowing it to rapidly respond to new scientific findings and shifts in market dynamics.



The executive team at T2 Pharma brings a wealth of expertise in the global commercialization of pharmaceutical products, underpinned by a deep understanding of international regulatory frameworks. T2's cadre of consultants boasts an impressive track record, having orchestrated commercial transactions in the pharmaceutical industry worth hundreds of millions of dollars across various global markets. While past performance is not indicative of future results, this history of success positions T2 Pharma advantageously for successful negotiations and the commercialization of assets in key markets.

T2 Pharma's approach reflects a strategic blend of carefully selected partnerships, positioning the company to make significant contributions across various therapeutic areas. By combining a data-driven approach with a dynamic commercialisation strategy, T2 Pharma aims to streamline the commercialisation process by reducing time to market (in-house regulatory) and create substantial value (tying up with various pharma companies globally for creating markets) for stakeholders and patients alike.

This overview captures the essence of a typical pharma startup like T2, which may focus on areas such as biotechnology, personalized medicine, or innovative drug delivery systems, depending on its mission and the expertise of its founding team.

Capital Raising

Upon completion of the Unrelated Party Licence Agreement and the Related Party Sale Agreement, the Company proposes to undertake a capital raising, the details of which are yet to be determined.

The Company is currently in discussions with its corporate advisor, Hall Chadwick, with respect to capital raising and is assessing its options in this regard. The Company will make relevant announcements once details of the capital raising are finalised.

The money raised from the proposed capital raising will be used for working capital and to provide the Company with funds to explore new opportunities/identify new assets.

Changes to Board

After completion of the Disposal, it is anticipated that the Company will replace some of its Directors and appoint alternative Directors that can assist with identifying opportunities of value for Shareholders and drive the Company's direction forward.

At this present time, the details of the new Board have not yet been determined. The Company will make announcements at the relevant times in respect of any changes to the Board.

The forthcoming General Meeting

As noted previously, it is expected the Company will announce the General Meeting shortly. The General Meeting will be held both physically and virtually. Details will be set out in the Notice of Meeting.

The Company recommends that each Shareholder use this time to update their details with the Company's Share Registry: Advanced Share Registry, See Investor Forms: <https://www.advancedshare.com.au/Investor-Login>.

The Board thanks Shareholders for their continued patience and support throughout this period.

Considering the marketing efforts, discussions, bids, and the risk factors outlined by interested parties, the Board believes the above transactions will be the best opportunity to maintain long term Shareholder value.

ON BEHALF OF THE BOARD.