

21 November 2014

## **Calzada to Divest Metabolic**

The Board of Calzada Limited has resolved to divest its interest in Metabolic Pharmaceuticals Pty Ltd ('Metabolic') by way of trade sale, licence or as a back door listing.

The future for Metabolic is on further developing AOD9604, a peptide fragment derived from the C-terminus of human growth hormone, for application in the human and veterinary healthcare markets.

Metabolic's recent focus has been on the development of AOD9604 as a treatment for osteoarthritis. There is a significant unfulfilled need for a new, safe and effective treatment for osteoarthritis that may be addressed by AOD9604.

Metabolic also has extensive data supporting AOD9604's safety and tolerability from a clinical development program in obesity. The company has recently received a Generally Recognised As Safe ('GRAS') status in the US for AOD9604. This GRAS status allows AOD9604 to be added as a nutrient supplement in conventional and functional foods, drinks and dietary supplements which can be sold in the US market at the daily level of up to 1 mg per person. As such it is exempt for these designated food uses from further pre-market approval requirements of food and drink ingredients in the US.

The Calzada Board determined that to take Metabolic forward will require significant additional funds to undertake critical pivotal trials to investigate the potential in animal and human for osteoarthritis as well as in other applications. The Board has concluded that this expenditure should not be undertaken by Calzada due to the need to focus its existing resources on the development and commercialisation of PolyNovo's NovoSorb™ technology, primarily in burns and wounds. The Chairman, Mr David Williams said, "we are open to maintaining a minority interest in the Metabolic business should we identify the right buyer or partner".

The Metabolic divestiture process will be managed internally and interested parties should contact Philip Powell, Acting Joint Managing Director at [ppowell@calzada.com.au](mailto:ppowell@calzada.com.au). On executing a confidentiality agreement, interested parties will receive an Information Memorandum. Acceptable indicative offers or proposals will result in admission to an electronic data room.

It is the intent of the Board to conclude this matter expeditiously and parties who can move quickly will be preferred.

The CEO of Metabolic, Mr David Kenley, has indicated that interests associated with him intend to make an offer to acquire Metabolic. Accordingly he will step down from his position until the divestiture process is finalised.

### **For further information please contact:**

David Williams  
Chairman  
Mobile: + 61 414 383 593  
Email: [dwilliams@kidder.com.au](mailto:dwilliams@kidder.com.au)

Philip Powell  
Acting Joint Managing Director  
Mobile: + 61 422 312 088  
Email: [ppowell@calzada.com.au](mailto:ppowell@calzada.com.au)