

Alchemia Announces Assignment of VAST Technology

BRISBANE, Australia; 3 July 2015: Alchemia, (ASX: ACL) a drug discovery and development company, announced today it has executed a deed of assignment to assign its VAST drug discovery technology (VAST) to VAST Biosciences Pty Ltd (VAST Biosciences). VAST Biosciences is a new private company funded by a group of high net worth investors for the purpose of developing and commercialising the VAST intellectual property going forward.

The VAST technology is the subject of collaborative research partnerships with Astra Zeneca and two leading Australian research institutions, Institute of Molecular Bioscience, and Monash Institute of Pharmaceutical Sciences, for the discovery of new drug candidates against valuable therapeutic targets. In December 2014, Alchemia announced the appointment of Evolution Life Science Partners (ELSP) as strategic advisor to assist with securing an investment and/or partner to accelerate the development of the VAST technology.

The terms of the assignment to VAST Biosciences include:

- an upfront payment of \$100,000;
- a tiered royalty stream, whereby Alchemia is entitled to 10% of net revenues received under the existing collaboration agreements (mentioned above) and 5% of net revenues received from any other sources;
- Vast Biosciences assuming liability for any transaction fees that may become due and payable to ELSP;

Net revenues includes any milestone payments, royalties on net sales, or other revenues that may be received by VAST Biosciences generated by the VAST technology. The higher royalty rate applicable for any products arising from the existing collaboration agreements is in recognition of the historical investment made by Alchemia into these programs.

As a result of this transaction, Alchemia will not be incurring any further expenditure on VAST beyond 30 June 2015.

About VAST

VAST has enabled the world's first systematic road map towards developing drugs with high 3D complexity with improved selectivity and safety. Drugs developed with more 3D complexity deliver superior target selectivity and safety but are typically found serendipitously, and are therefore a rare event. VAST describes a proprietary chemistry platform that allows access to unique 3D molecular shapes, to a Diversity Scanning Array (DSA) of 14,000 3D probes, and to a suite of proprietary chemistries that provides unprecedented ability to optimise these 3D VAST molecules towards into 3D drugs. The DSA and VAST platform formed the genesis of the AstraZeneca partnership which is exploring its application against a broad range of targets.

About Evolution Life Sciences Partners

Evolution Life Science partners is an investment bank focused on the needs of life sciences and healthcare companies. Evolution assists companies throughout their life cycle, including capital raising, licensing/partnering, and M&A, and covers the large pharma, biotechnology, medical device, and molecular diagnostic sectors. Evolution has offices in New York and San Francisco.

About Alchemia Limited

Alchemia is a drug discovery and development company marketing fondaparinux, an FDA approved, injectable antithrombotic, in the US and other markets, via partner Dr. Reddy's Laboratories. On the 1st July, Alchemia announced the conditional sale of its 100% owned subsidiary, Alchemia Oncology Pty Ltd, with US biotechnology company, Panther Biotechnology Inc.

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