



## ASX Announcement

### **Medlab signs Sale of Agreement for AUS Nutraceuticals to leading pharmacy icon, PharmaCare**

**SYDNEY, October 20, 2021** - Medlab Clinical Ltd (ASX:MDC) is very pleased to announce the sale of the Australian-only part of its nutraceutical business to PharmaCare, a well-established Australian Health and Wellness company.

#### Why have we sold the Australian Nutraceutical business?

- The cost of distribution in this competitive space is high and to participate effectively critical mass is essential to cover the cost of distribution, hence the sale to PharmaCare which is a sophisticated, larger, and more effective player.

#### Deal structure and rationale:

- PharmaCare will pay cash of \$1.6m to Medlab on the 1<sup>st</sup> November 2021, which will enable Medlab to make savings of around \$2m annually on operating expenses and better align its focus on areas of strategic growth.
- Two year earn-out in place to be the greater of \$250k or 5% of Net Sales per year during the first and second year.
- Diligence completed.
- Medlab to restructure business to focus management on core local and international NanaBis™ and NanoCelle® R&D and emerging commercial partnering opportunities after having successfully gained patents in 48 worldwide markets.
- Attractive to PharmaCare, as they have full pharmacy infrastructure and capability in place and this incremental business represents a growth opportunity in a subchannel it doesn't currently participate.
- We have kept the ownership of our R&D and both Companies have agreed to work together on future product development, hence providing ongoing innovation to PharmaCare as well as an ongoing income stream to Medlab.
- All nutraceutical assets have been sold to PharmaCare, except for certain Medlab intellectual property assets that will be provided as an ongoing license in perpetuity to PharmaCare for the Australian territory.
- Medlab reserves all its nutraceuticals rights for the rest of the world and are currently actively pursuing significant opportunities.



Dr. Sean Hall, CEO and Founder commented: “The engagement we have had with PharmaCare has been incredibly professional and sets us up for a very collaborative future to continue to innovate for the Australian population via PharmaCare”.

Mr Laurence McAllister, Executive Director stated: “This really sharpens our focus and frees up our senior team to focus on developing our core asset NanaBis™ and NanoCelle® technology. This nutraceutical business has been an ongoing concern for many shareholders. We are a Biotech\*, however we will consider commercialising Healthcare opportunities that can support our revenues for clinical studies and global partnering”

*\* Biotechnology is the exploitation of biological processes for industrial and other purposes, especially the genetic manipulation of microorganisms for the production of antibiotics, hormones, etc.*

## **ENDS**

### **Authorisation & Additional information**

This announcement was authorised by the Board of Directors of Medlab Clinical Limited.

### **About Medlab Clinical:**

Medlab Clinical Ltd (ASX:MDC) is pioneering the development and commercialisation of a pharmaceutical delivery platform, allowing for enhanced medical properties, including increased efficacy, safety, patient compliance and stability. Medlab’s pipeline comprises a number of small and large molecules from repurposing generic medicines to enhancing the delivery of immunotherapies. Patented lead drug candidate NanaBis™ has been developed for cancer bone pain as a viable alternative to opioid use. Data to date, strongly suggests NanaBis™ may be equally effective in non-cancer neuropathic pain. NanoCelle®, the patented delivery platform is wholly owned by Medlab and developed in Medlab’s owned OGTR (Office of the Gene Technology Regulator) Registered Laboratory. NanoCelle® is designed to address known medication problems, addressing global unmet medical needs. Medlab operates in Australia (Head Office), USA, and the UK. For more information, please visit [www.medlab.co](http://www.medlab.co)

Medlab – better medicines, better patient care

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