

**Cellmid Limited**

Suite 204, 55 Clarence  
Street Sydney NSW 2000  
ACN: 111 304 119

<http://www.cellmid.com.au/>



# Cellmid Limited

## **Notice of General Meeting**

Explanatory Statement | Proxy Form

Friday, 22 October 2021

**11:00am AEDT**

As a Virtual Meeting

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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## Important Information for Shareholders about the Company's General Meeting

Given the uncertainty surrounding the COVID-19 pandemic, by the time this Notice is received by Shareholders, circumstances may have changed, however, this Notice is given based on circumstances as of 22 September 2021.

Accordingly, should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at <http://www.cellmid.com.au>. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

Given the significant health concerns attributed to the COVID-19 pandemic, in addition to guidelines and restrictions issued by Australian state and federal governments, the Company considers that it is appropriate to hold the General Meeting (**GM**) the subject of this Notice of Meeting (**Notice**) as a virtual meeting, in a manner that is consistent with the Treasury Laws Amendment (2021 Measures No. 1) Act 2021.

## Venue and Voting Information

The GM to which this Notice relates will be held at 11:00am (AEDT) on Friday, 22 October 2021 as a **virtual meeting (Meeting)**.

The company is pleased to provide shareholders with the opportunity to attend and participate in the virtual meeting through an online meeting platform powered by Automic.

Shareholders that have an existing account with Automic will be able to watch, listen, and vote online.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Meeting** to avoid any delays on the day of the Meeting. An account can be created via the following link [investor.automic.com.au](http://investor.automic.com.au) and then clicking on "**register**" and following the prompts. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

To access the virtual meeting on the day:

1. Open your internet browser and go to [investor.automic.com.au](http://investor.automic.com.au)
2. Login with your username and password or click "**register**" if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the Meeting to ensure there is no delay in attending the virtual meeting**

3. After logging in, a banner will display at the bottom of your screen to indicate that the Meeting is open for registration, click on “**Register**” when this appears. Alternatively, click on “**Meetings**” on the left-hand menu bar to access registration.
4. Click on “**Register**” and follow the steps
5. Click on the URL to join the webcast where you can view and listen to the virtual meeting. Note that the webcast will open in a separate window.

Shareholders will be able to vote (see the “Voting virtually at the Meeting” section of this Notice of Meeting below) and ask questions at the virtual meeting.

Shareholders are also encouraged to submit questions in advance of the Meeting to the Company.

Questions must be submitted in writing to the Company Secretary at [lee.tamplin@automicgroup.com.au](mailto:lee.tamplin@automicgroup.com.au) at least 48 hours before the AGM.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting.

## Your vote is important

The business of the Meeting affects your shareholding, and your vote is important.

## Voting virtually at the Meeting

Shareholders who wish to vote virtually on the day of the Meeting can do so through the online meeting platform powered by Automic.

Once the Chair of the Meeting has declared the poll open for voting click on "Refresh" within the platform to be taken to the voting screen.

Select your voting direction and click "confirm" to submit your vote. Note that you cannot amend your vote after it has been submitted

For further information on the live voting process please see the **Registration and Voting Guide** at <https://www.automicgroup.com.au/virtual-agms/>

## Voting by proxy

To vote by proxy, please use one of the following methods:

<b>Online</b>	Lodge the Proxy Form online at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.  For further information on the online proxy lodgement process please see the <b>Online Proxy Lodgement Guide</b> at <a href="https://www.automicgroup.com.au/virtual-agms/">https://www.automicgroup.com.au/virtual-agms/</a>
<b>By post</b>	Automic, GPO Box 5193, Sydney NSW 2001

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

Given the current climate around the global COVID-19 pandemic, the Directors **strongly encourage all Shareholders to lodge directed proxy forms prior to the Meeting.**

## Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

## Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should provide the Share Registry with adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

# Notice of General Meeting

Notice is hereby given that an General Meeting of Shareholders of Cellmid Limited ACN 111 304 119 will be held at 11:00am AEDT on Friday, 22 October 2021 as a **virtual meeting**.

The Explanatory Statement to this Notice provides additional information on matters to be considered at the GM. The Explanatory Statement and the Proxy Form forms part of this Notice.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the GM are those who are registered Shareholders at 7:00pm (AEDT) on Wednesday, 20 October 2021.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

## Resolutions

### 1. **Resolution 1** – Approval of issue of Shares

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purpose of ASX Listing Rule 7.1, and for all other purposes, approval is given for the issue and allotment of 32,786,885 Shares, as detailed in the Explanatory Statement.”*

**Voting Exclusion Statement:** In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of this resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue, who is excluded from voting, or an associate of such a person. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**BY ORDER OF THE BOARD**

Lee Tamplin  
Company Secretary

# Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the GM.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the GM are set out below.

## Resolutions

### Resolution 1

On 16 September 2021, the Company announced its entry into the Share Sale Agreement (**SSA**) with HGL Limited (**HGL**). Under the SSA, the Company proposes to acquire from HGL all of the shares in B L C Cosmetics Pty Ltd (**BLC**) (**Transaction**).

HGL is an investment company listed on the ASX. Its wholly owned subsidiary, BLC, is an Australian importer and distributor of anti-aging skin care and wellbeing brands servicing companies in Australia physically, and also in Australia, New Zealand and the Pacific Islands through online retail.

The Transaction is proposed to be completed on the following terms:

#### Tranche 1

The Company will pay a total of \$3 million on settlement, which represents an EBITDA multiple of six on BLC's projected FY2021 EBITDA of \$500k, as follows:

- \$1 million will be payable in cash from the Company's existing cash reserves.
- The remaining \$2 million will be payable in Shares (**Tranche 1 Shares**). The number of Tranche 1 Shares to be issued is determined based on an issue price of 6.1 cents per Share. On that basis, HGL will receive approximately 32.78 million Tranche 1 Shares. The issue of the Tranche 1 Shares is subject to shareholders' approval which is being sought in this Notice of Meeting.

#### Tranche 2

Should there be an increase in BLC's EBITDA between FY2021 and FY2022, the Company will also pay Tranche 2 after 30 October 2022. Tranche 2 of the consideration will be determined based on the performance of the BLC business unit over the financial year ended 30 September 2022 (**FY2022**). Tranche 2 is determined as the amount equal to 3x the incremental growth between a base FY2021 EBITDA of \$500k, and BLC's FY2022 audited EBITDA. If there is no increase, or if there is a decrease, in the native EBITDA of the BLC business unit over FY2022, then no Tranche 2 consideration will be payable. Any Tranche 2 payment will be made in cash and shares as follows:

- The first \$700,000 will be payable in cash and is expected to be paid from the Company's reserves at the time.
- The remaining amount in shares (**Tranche 2 Shares**). The number of Tranche 2 Shares to be issued will be determined based on the lower of 9 cents and the 30 day VWAP of Shares immediately prior to issue capped at 50 million Shares and will be subject to shareholders' approval at the time of issue.
- If the total value of the Tranche 2 payment exceeds \$700k in cash and 50 million Tranche 2 Shares the excess will also be settled in cash.

All consideration Shares will be subject to voluntary escrow with the Tranche 1 Shares subject to a 2-year voluntary escrow and the Tranche 2 Shares (if issued) subject to a 1-year voluntary escrow.

Under the SSA, the Transaction is subject to a number of conditions including:

- the nomination of a director to Cellmid's board by HGL, subject to ordinary approvals
- other conditions regarding the business and operations of BLC that are customary in a transaction of this nature.

### **Background to Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents more than 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

As detailed above, the Company proposes to issue approximately 32.78 million Tranche 1 Shares, which represents approximately 17.5% of the issued capital of the Company as at the date of this Notice of Meeting. Accordingly, the Company is seeking Shareholder approval for the issue of the Tranche 1 Shares.

### **Listing Rule 7.3 requirements**

In accordance with ASX Listing Rule 7.3, the Company provides the following information:

- HGL Limited ACN 009 657 961 being the sole shareholder of BLC Cosmetics Pty Ltd is the entity to whom the Tranche 1 Shares will be issued;
- the Company will issue 32,786,885 Tranche 1 Shares to HGL;
- the Tranche 1 Shares to be issued to HGL under the Transaction are fully paid ordinary shares;
- the Tranche 1 Shares will be issued to HGL on completion of the Transaction, which is expected to be by the end of October 2021. The date of issue of the Tranche 1 Shares will in any event be a date that is no later than 3 months after the date of the GM;
- as detailed above, the Company will receive all of the Shares in BLC as consideration for the Tranche 1 Shares (and the Tranche 1 cash, and Tranche 2 cash and Share consideration, detailed above). The value of the Tranche 1 Shares is deemed to be \$2million;
- the purpose of the issue of Tranche 1 Shares is to provide valuable consideration to HGL under the Transaction as part of the Company acquiring BLC. The Company is not receiving any funds from the issue;
- a summary of the material terms of the agreement (the SSA) under which the Transaction will occur is detailed above; and
- a voting exclusion statement is set out in the Notice of Meeting above.

If this resolution is approved, then the Company will be able to issue the Tranche 1 Shares to HGL during the 3 month period after the GM convened under this Notice without using the Company's 15% annual placement capacity.

If this resolution is not approved, then the Company will consider its options to settle Tranche 1 of the Transaction which may include issuing that number of Tranche 1 Shares which it has capacity to issue using the Company's 15% annual placement capacity and increasing the amount of cash to be paid to HGL to settle the difference between \$3m and the value of any Shares issued by using the 15% annual placement capacity.

The Board believes that the Transaction is in the best interests of the Company's shareholders as BLC operates a profitable business which the Company wishes to integrate into, and use to

promote, the Company's existing business. Further, the Company believes that the proposed structure of the Tranche 1 settlement (being a combination of cash and Shares) is in the best interests of the Company's shareholders so that the Company can preserve cash to continue to execute on its growth strategy.

**Directors' recommendation**

The Board recommends that Shareholders vote in favour of this Resolution.

## Enquiries

Shareholders are asked to contact the Company Secretary on +61(2) 8072 1400 if they have any queries in respect of the matters set out in these documents.



# Glossary

**AEDT** means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

**ASX** means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

**ASX Listing Rules** or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

**BLC** means B L C Cosmetics Pty Ltd ACN 001 213 529.

**Board** means the current board of Directors of the Company.

**Chair** means the person chairing the GM.

**Company** means Cellmid Limited ACN 111 304 119.

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

**Director** means a current Director of the Company.

**Dollar** or "\$" means Australian dollars.

**General Meeting** or **GM** or **Meeting** means a General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice.

**Explanatory Statement** means the explanatory statement accompanying this Notice.

**HGL** means HGL Limited ACN 009 657 961.

**Notice of Meeting** or **Notice** means this notice of GM dated 22 September 2021 including the Explanatory Statement.

**Ordinary Resolution** means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Proxy Form** means the proxy form attached to this Notice.

**Resolution** means the resolution set out in this Notice as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Sale Agreement** or **SSA** means the document of the same name between the Company and HGL Limited dated 15 September 2021.

**Shareholder** means a holder of a Share.

**Share Registry** means Automic Group, Level 5, 126 Phillip Street Sydney NSW 2000.

**Tranche 1** means Tranche 1 of the consideration payable to HGL under the SSA.

**Tranche 2** means Tranche 2 of the consideration payable to HGL under the SSA.

**Tranche 1 Shares** means the component of Tranche 1 payable to HGL in Shares.

**Tranche 2 Shares** means the component of Tranche 2 payable to HGL in Shares.

**Transaction** means the transaction contemplated by the Share Sale Agreement.

**VWAP** means the volume weighted average price of Shares based on trades on the ASX.

# Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11:00am (AEDT) on Wednesday, 20<sup>th</sup> October 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

## Lodging your Proxy Voting Form:

### Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

### BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

**PHONE:** 1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

# VIRTUAL AGM

## VIRTUAL PARTICIPATION AT THE AGM:

The company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automatic, where shareholders will be able to watch, listen, and vote online.

To access the virtual meeting:

1. Open your internet browser and go to **investor.automic.com.au**
2. Login with your username and password or click **"register"** if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting**

Further information on how to do this is set out in the Notice of Meeting. The Explanatory Notes that accompany and form part of the Notice of Meeting describe the various matters to be considered.

## STEP 1: Appoint Your Proxies

COMPLETE AND RETURN THIS FORM AS INSTRUCTED ONLY IF YOU DO NOT VOTE ONLINE

I/We being a Shareholder entitled to attend and vote at the Extraordinary General Meeting of Cellmid Limited, to be held at **11:00am (AEDT) on Friday, 22<sup>nd</sup> October 2021** hereby:

**Appoint the Chairman of the Meeting (Chair)** OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

[illegible]

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the "for," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

## STEP

## Resolutions

1 Approval of issue of Shares to HGL Limited

For

### Against

**Abstain**

7

7

7

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

## STEP 3: Sign Here + Contact

**SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED**

Individual or Securityholder 1

Securityholder 2

Securityholder 3

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\_\_\_\_\_

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Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name:

[illegible]

Email Address:

[illegible]

Contact Daytime Telephone

[illegible]

Date (DD/MM/YY)

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By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).