

**RESPONSE TO SGX QUERIES – ANNOUNCEMENTS IN RELATION TO  
APPOINTMENT OF AYTU BIOSCIENCE, INC. AS EXCLUSIVE DISTRIBUTOR**

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The board of directors (the “**Board**” or “**Directors**”) of Biolidics Limited (the “**Company**” or “**Biolidics**”) refers to the (i) announcement in relation to the appointment of Aytu Bioscience, Inc. (NASDAQ: AYTU) (“**Aytu**”) as an exclusive distributor for the Company’s rapid test kits for the Novel Coronavirus 2019 antibodies (the “**COVID-19 Antibody Test Kits**”), in the United States of America (“**USA**”) on 23 April 2020 (the “**Announcement**”), and (ii) certain news in the media relating to Aytu (please refer to website links below).

Further to the Announcement, the Board wishes to provide the following additional information in response to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 23 April 2020.

**Question 1**

Please explain and elaborate on the due diligence process conducted on Aytu, by the Company.

**Company’s response:** The Company had considered certain factors and conducted due diligence before appointing Aytu as the distributor for its test kits in the USA. These include assessing the financial standing of Aytu and conducting searches on Aytu on web-based global/financial databases, such as Bloomberg, Reuters and NASDAQ. The Company also noted that Aytu, which has been listed on NASDAQ since October 2017, has been appointed distributor for various pharmaceutical products addressing significant medical needs such as hypogonadism, cough and upper respiratory symptoms, insomnia and male infertility. Further, the Company also noted that Aytu has experience in obtaining regulatory clearance under Section 510(k) of the USA Food, Drug and Cosmetic Act, from the US Food and Drug Administration, a federal agency of the United States Department of Health and Human Services.

**Question 2**

Please explain if the Company and its business plans will be impacted by news on investigation of potential claims on behalf of purchasers of Aytu. Please disclose if there are any financial impact on Biolidics arising from this.

**Company’s response:** While the Company is not privy to the grounds of investigation of potential claims on behalf of purchasers of Aytu against Aytu <sup>(1)</sup>, the Company believes that it would not be impacted by news on such investigation (the “**Relevant News**”) as Aytu is only a distributor for the Company’s COVID-19 Antibody Test Kits.

The Company believes that the Relevant News is unlikely to have a material impact on its business plans in view of the following:

- (1) The Company has completed the listing of its test kits under Section IV.D of the “Policy for Diagnostic Tests for Coronavirus Disease-2019 during the Public Health Emergency” of the USA which enables the Company to distribute, market and sell its COVID-19 Antibody Test Kits in the USA through various channels;
- (2) Based on the terms of the distributorship agreement as announced, Aytu is required to fulfill certain conditions in order to remain as the exclusive distributor for the COVID-19 Antibody Test Kits in USA, such as meeting the minimum purchase quantity within 3 months from the date of

- signing of the Agreement. If Aytu fails to meet these contractual conditions, the Company may appoint another distributor for the COVID-19 Antibody Test Kits; and
- (3) The Company may immediately terminate the distributorship agreement in the event of any breach of the terms of the agreement by Aytu or any of its sub-distributors, employees, agents or other representatives that have not been cured within 30 days following a written notification by Biolidics of such breach.

The Company will continue to monitor publicly available information on Aytu and will take appropriate steps to mitigate any potential negative financial impact on Biolidics arising from such developments.

### **Question 3**

Based on the Bloomberg alert, on 17 April 2020, NBC News had issued the said report (the "NBC News Report") and on this news, Aytu's stock price fell 8% on that day.

- (a) Given that the Company had entered into the distributorship agreement with Aytu today, 23 Apr 2020, please disclose if the Company had been aware of the development pertaining to Aytu which was already made known publicly since 17 Apr 2020.

**Company's response:** The Company was introduced to Aytu on or around 31 March 2020, by a business associate, who is based in Denver, Colorado, where Aytu is also based and was aware of the contents of the NBC News report entitled "Unapproved Chinese coronavirus antibody tests being used in at least 2 states" ("NBC News") on 17 April 2020 <sup>(2)</sup>.

- (b) When did the Company first become aware of the following, and what did the Company do to verify the information?
- (i) investigation of potential claims by a law firm on behalf of purchasers of Aytu;
  - (ii) allegations in the Bloomberg alert / NBC News.

**Company's response:** The Company became aware of the investigation of potential claims by a law firm on behalf of purchasers of Aytu and the allegations in the Bloomberg alert / NBC News on 17 April 2020. The Company had not verified the information as the Company understands from Aytu that no law suit has been filed. In addition, the Company had evaluated and believed that Aytu is a suitable distributor based on the factors set out in the response to Question 1 above.

While the Company has not sought US legal counsel advice, the Company notes from the internet that at least three law firms have announced similar "investigations" on behalf of investors in Aytu. These firms have indicated that the press release may be considered "Attorney Advertising", which the Company understands to be legal advertising by US law firms under the applicable law and ethical rules. The Company also notes that one of the law firm has launched similar investigations in respect of a number of listed entities, not just Aytu.

#### **Notes:**

- (1) <https://www.prnewswire.com/news-releases/aytu-investigation-bronstein-gewirtz--grossman-llc-notifies-investors-of-investigation-of-aytu-biosciences-inc-301043170.html>
- (2) <https://www.nbcnews.com/health/health-news/unapproved-chinese-coronavirus-antibody-tests-being-used-least-2-states-n1185131>

#### **BY ORDER OF THE BOARD**

**Yee Pinh Jeremy**  
**Non-Executive Non-Independent Chairman**  
**26 April 2020**

*This announcement has been prepared by Biolidics Limited (the "Company") and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "Sponsor"), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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