



**Quarterly Report**  
**Quarter 1, 2017**  
**Confidential**



## CELL>POINT AT A GLANCE

- Private biotech company commercializing 5 Technologies acquired from M.D. Anderson Cancer Center
- Lead agent Oncardia® completing Phase 3 trials
- Contributions to date from founding and passive members have exceeded \$86.4 Million.

### Highlights of Quarter 1, 2017

- Cell>Point and Vyripharm receive key patents
- Vyripharm signs a Joint Venture Agreement (“JV”) with Cannliv L.L.C. (Alamo Ventures/Indoor-Harvest)
- Cell>Point in Asia working on purchase of up to 35% of Cell>Point

### Cell>Point and Vyripharm receive two key patents

Patent life and clinical trial results are both key in the valuation of Cell>Point. In addition to our clinical trial expenses, patent expenses are our second greatest capital expenditure. Cell>Point received through its research at M.D. Anderson a third US patent extending the patent life for Oncardia® from 2028 to 2033. This new patent covers the U.S.

On March 6, 2017, Vyripharm Biopharmaceuticals learned that the patent application for the cannabis processing testing center (the CPC patent) would be accepted in addition to all of the claims. As you might remember two years ago, Vyripharm was the first company to file a patent application with the USPTO that covers comprehensive testing of cannabis from seed to medical pharmacy for public safety, quality control and quality assurance purposes. Vyripharm is in negotiations with two of the largest agricultural testing companies in the world to

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Forward Looking Statements: Statements included herein that are not historical facts are forward-looking statements. Such forward-looking statements involve a number of risks and uncertainties and are subject to change at any time. In the event such risks or uncertainties materialize, Cell>Point’s results could be materially adversely affected. The risks and uncertainties include, but are not limited to, risks associated with: the inherent uncertainty of research, development, approval, reimbursement, manufacturing and commercialization of Cell>Point’s products, Cell>Point’s ability to register, maintain and enforce patents and other intellectual property rights relating to its products; Cell>Point’s ability to obtain and maintain government and other third-party reimbursement for its products; and other risks and uncertainties detailed from time to time.

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license the use of the CPC patent. This news will facilitate that process forward. Over 28 states have approved the use of medical cannabis. Many of these states have contacted Vyripharm after learning about the patent. In addition to the ongoing negotiations with these two agricultural testing companies, Vyripharm has been in talks with many of the 28 approved states regarding using the Vyripharm cannabis testing technology. The revenue potential for Vyripharm (which Cell>Point owns a majority interest) is significant.

Cannabinoid Targeted Therapies



Cannabis Processing Center (CPC) Botanical Testing

## **Vyripharm signs Joint Venture Agreement (“JV”) with Cannliv L.L.C. (Alamo Ventures/Indoor-Harvest)**

On February 17, 2017, Vyripharm completed and signed a Joint Venture Agreement (“JV”) with Cannliv L.L.C. (Alamo Ventures/Indoor-Harvest). Under the JV, Cannliv will provide pharmaceutical grade cannabis oil to Vyripharm to complete research on pharmaceutical compounds using cannabis for the treatment of epilepsy, post-traumatic stress disorder and other diseases. See video below. The JV will be for 5 years and Cannliv will contribute \$5 million (\$1 million per year) toward the research. Any patent applications originated from the JV will be shared 85% by Vyripharm and 15% by Cannliv. Revenue sharing for these new agents will also be split 85% Vyripharm and 15% Cannliv. See media link from Cannliv below.

<https://www.dropbox.com/s/18vr74jzx7pq1ms/Alamo%20CBD%20Video.mp4?dl=0>

## **Cell>Point in Asia working on purchase of up to 35% of Cell>Point**

As discussed in the last QR, the Shanghai Pudong Development Bank Co., Ltd (SPD Bank) contacted Cell>Point during December to purchase up to 35% interest in the company. Please note this is up to 35% and the final amounts have not been set as of this QR. As mentioned in the last QR, the SPD Bank provided a Letter of Interest to purchase units in Cell>Point late December. The initial structure of the purchase was Cell>Point would sell new units to payoff all liabilities including the “cash trap” obligation and increase cash reserves to over \$27 million to cover Oncardia® Phase 3 trials to filing the New Drug Application (NDA) with the FDA. To round out the purchase, Cell>Point would sell existing units in Cell>Point and allow our members to sell into this purchase based on their percentage ownership. The CEO of Cell>Point met with SPD Bank on April 19<sup>th</sup> in Beijing and will be meeting with them again while in China. When we have more information we will provide that in our Updates.

## **Other**

The 2016 K-1's were mailed March 18<sup>th</sup>. If you did not receive your K-1 please email Terry Colip at [terry.colip@cellpontweb.com](mailto:terry.colip@cellpontweb.com). Cell>Point ended 2016 with \$8.7 million in receivables. Those receivables are finally being paid. After we have received 100% of these receivables, deduct our liabilities and reserve cash to our next cash event we will have our accountants compute cash available for distribution. Cell>Point continues to work on additional licenses. Cell>Point recently completed a video which provides additional information for our members. In lieu of an investor call this quarter please see the video at: <https://vimeo.com/213764997/9872ff93fe>

Please direct any questions regarding the QR to Terry Colip at the email address above.