

ASX ANNOUNCEMENT

CELLMID SIGNS DISTRIBUTION AGREEMENT FOR ÉVOLIS® IN SOUTH KOREA

- Cellmid entered into an exclusive, five-year distribution agreement with K2B Co., Ltd for the sale of its évolis® lotions and shampoos in the Republic of Korea
- K2B will register évolis® for import with the Korean Ministry of Food and Drug Safety (MFDS)
- The agreement is for distribution primarily via Korean direct to consumer channels with annual minimum order requirements

SYDNEY, Tuesday, 6 August 2019: Cellmid Limited (ASX: CDY) is pleased to advise that its wholly owned subsidiary, Advangen International Pty Limited (Advangen), has entered into an exclusive agreement with K2B Co., Ltd (K2B) for the distribution of its évolis® anti-aging hair care and hair loss products in the Republic of Korea.

The agreement is a major step in delivering on the Company's Asian expansion plans outlined in the Strategic Update to the ASX on 21 February 2019.

The product launch is expected in 4Q FY2020, following registration with the Korean Ministry of Food and Drug Safety. The agreement between the companies has the following key terms:

- The term of the agreement will be three years initially, extendable by another two years subject to meeting minimum order requirements;
- Minimum order requirements will commence in year one and are expected to increase over the subsequent two years;
- The Company's évolis® branded, Australian manufactured products for men and women are included in the agreement;
- The products will be positioned in the premium category and pricing will be consistent with Australian product pricing;
- Responsibility for marketing of the products within the territory falls exclusively to K2B, with a prescribed minimum advertising spend set as a percentage of the orders; and
- Advangen will provide support in the form of product training, videos, imagery and assistance with generating on-brand marketing collateral.

K2B will primarily use television shopping and e-commerce for the sale of the évolis® products, consistent with Cellmid's objective to increase its direct to consumer business and customer base globally.

In Korea, as in Japan and China, the prevalence of significant pattern hair loss in the population is estimated at around 20% of men and 10% of women. This percentage increases significantly in the older population and amongst younger men. In addition, Korean millennials place increasing value on appearance and are discerning consumers of premium quality imported products, especially those from Australia.

K2B is a company specialising in marketing through television shopping with extensive relationships in the Korean healthcare sector. According to their research, the Korean hair-loss market was USD3.69 billion in 2017. They expect évolis® sales to grow exponentially in the first three years following product launch.

"We are excited to have the opportunity to launch évolis® in Korea", said Mr Kim, President of K2B. "Our research into the hair loss and anti-aging hair care segment and our understanding of the television shopping channels places us in a strong position to create substantial market for the évolis® products in Korea" he added.

"K2B's direct to consumer model is ideally suited to the évolis® products and we are excited to partner with their team in this major market for hair growth products" said Cellmid CEO, Maria Halasz.

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Cellmid Limited (ASX: CDY)

Cellmid is an Australian life sciences company with a consumer health business and biotech assets. Advangen is Cellmid's wholly owned subsidiary engaged in the development and sale of first in class, best in class, clinically validated anti-aging products for hair, skin and body. Advangen has a range of FGF5 inhibitor hair growth products which are sold in Australia, Japan, USA and China. Advangen has a rich portfolio of hair growth and anti-aging hair care assets which include formulations of products on market, trademarks, patents and patent applications, proprietary assays and manufacturing processes. For further information, please see www.cellmid.com.au and www.evolisproducts.com.au.

Forward looking statements

This announcement may have forward-looking statements that are subject to risks and uncertainties. Such statements involve known and unknown risks that may cause the actual results, performance or achievements of Cellmid to be materially different from the statements in this announcement. Actual results could differ materially depending on factors such as the availability of resources, regulatory environment, the results of marketing and sales activities and competition.