

ASX ANNOUNCEMENT

INVESTOR BRIEFING AND PRESENTATION

SYDNEY, Monday, 3 May 2021: Cellmid Limited (ASX: CDY) (“Company”) is pleased to invite investors to attend an online investor briefing on the Company’s growth strategy and the Lynamid divestment.

As previously advised the briefing will be held today, Monday, 3 May 2021 at 11:30am (AEST), on the Zoom platform. There is no requirement to download or install any software to participate.

Participants will be able to attend the online briefing by clicking on the following link:

<https://us06web.zoom.us/j/83852030514?pwd=YTNmL2pYL3MvMDVtUThnYTRKdEZ2UT09>

Should you be unable to log in through the link please visit www.zoom.com in your internet browser, select **JOIN WEBINAR** from the menu and add the following meeting identifiers:

WebinarID: 838 5203 0514

Passcode: 830636

Questions may be submitted to info@cellmid.com.au before the meeting or by using the chat function on the Zoom platform during the meeting.

Approved for release by Maria Halasz, CEO and Managing Director.

Contact:

Maria Halasz, CEO

T +612 9221 6830

Cellmid Limited (ASX: CDY)

Cellmid is a health and beauty-tech business growing shareholder value through the global distribution and sales of its proprietary brands of differentiated, clinically validated longevity and anti-aging solutions. Advangen Limited is Cellmid’s wholly owned subsidiary engaged in the development and sale of first in class, best in class, clinically validated products for hair, skin and body. 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.



Investor Presentation

3 May 2021

ASX: CDY





Forward looking statements

This presentation has been prepared by Cellmid Limited ACN 111 304 119 (CDY) for information purposes only. The presentation may contain forward-looking statements that are not guarantees of future performance and are subject to risks and uncertainties. Such forward looking 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 presentation. The factors that may influence the Company's performance include, but not limited to, availability of resources, regulatory environment, technical risks, the results of advertising, sales activities and competition. Readers are cautioned not to place undue reliance on forward looking statements within this presentation. This presentation is not an offer to sell or solicitation, invitation or recommendation to purchase any securities and it does not form the basis of any contract or commitment.

CELLMID



A health and beauty-tech business growing shareholder value through the global distribution and sales of its scientifically validated innovative consumer products to help people live longer, in good health and with confidence

AGENDA

- Well funded to execute growth strategy
- Lyramid sale – completed strategic milestone
- Building a global beauty-tech business
- Growth strategy
- Financial overview and outlook

WELL-FUNDED TO EXECUTE ON GROWTH STRATEGY

Record cash balance of \$8.8m to execute on growth strategy

On track to profitability in FY2022

Strongly supported capital raising

- Raised \$4.5 million in an underwritten rights issue in March 2021
- Funds to boost ecommerce capabilities, provide cashflow for new distribution channels in China

Cash from Lyramid

- Cellmid received \$500K+ costs upfront payment for the sale of Lyramid
- Ongoing annual savings of ~\$1m by reducing research personnel and removing expenses associated with patent filing and maintenance

Structural reduction in cost base

- Average net quarterly cash outflow is around \$500K (\$153K in Q3 FY2021)
- Lower operating expenses including lower staff and R&D costs



LYRAMID – COMPLETION OF STRATEGIC MILESTONE

Completed the sale of Lyramid, Cellmid's wholly owned biotech subsidiary

Enables Cellmid to focus solely on consumer health business

Key Terms of the Share Sale Agreement

- Issued shares in Lyramid are sold to investors committed to funding the midkine product development portfolio
- Cellmid received \$500K upfront payment plus reimbursement of Lyramid related costs from 1 January 2021
- Cellmid owns the underlying intellectual property, which is licensed to Lyramid exclusively
- Sale to Provelmare Holding SA – holding company for the Lyramid shares
- Sale of Lyramid on a going concern basis, including employees, contractors and collaborations
- Cellmid will receive 4% royalty on product sales, 8% on sublicense revenue and 4% on share sale

Benefits for Cellmid Shareholders

- Management focus solely on health and beauty tech business
- Cellmid continues to own the underlying IP portfolio around midkine
- Retain the right to participate in potential upside from midkine IP through royalties
- Ongoing savings of ~\$1 million per annum in operating expenses



BUILDING A GLOBAL BEAUTY-TECH BUSINESS

FOCUS ON BUILDING INNOVATIVE BEAUTY BRANDS

Maintain leadership in hair biology through ongoing research and publications and new intellectual property

Grow product portfolio, launch anti-aging products with scientific evidence of efficacy

Launch only first in class and/or best in class clinically validated anti-aging products - retain authenticity of brands



ANTI-AGING HAIR CARE PRODUCTS

Cellmid developed proprietary anti-aging haircare products that are clinically and scientifically validated, effective in reducing hair loss and increasing hair growth, and use botanical extracts.

- ‘First in class’ and ‘best in class’ clinically validated anti-aging hair care products
- TGA listed with therapeutic claims (increase hair growth, reduce hair loss)
- Registered as quasi-drug* in Japan (hair loss therapy)
- Over 15 years of dedicated research into hair growth and hair biology, discovery of new actives and formulations
- Patented FGF5 inhibitor technology, which addresses hair loss by extending the growth phase of the hair cycle

évolis® Professional



évolis® Pharmacy



Joju® and Lexilis®



*quasi-drug is a Japanese regulatory category for natural products that have therapeutic evidence

COVID-19 DISRUPTION HALTED RETAIL MOMENTUM

FY2016 - FY2019 - Strong revenue growth

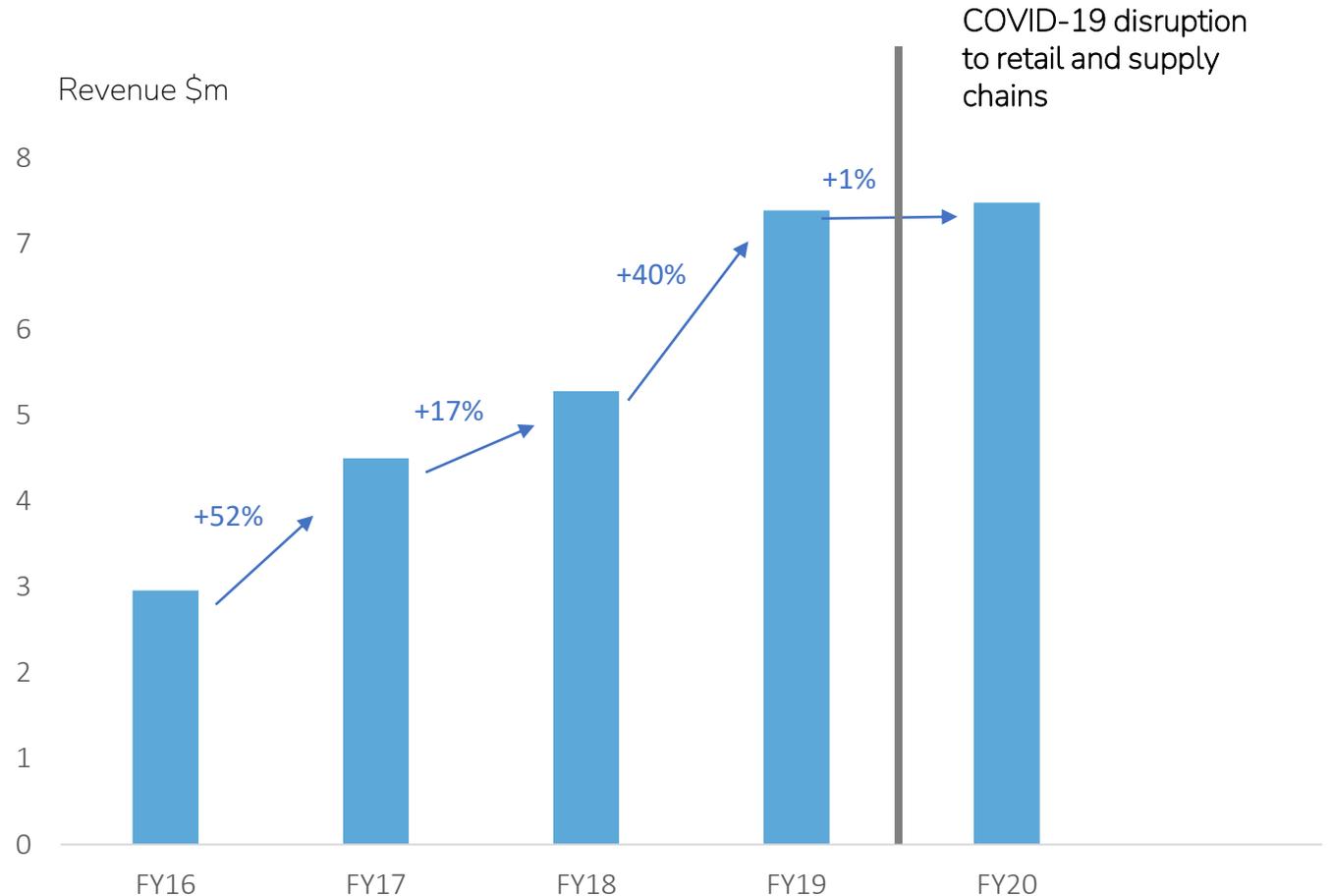
- Expansion of distribution channels across Japan, China, US, Australia, Asia and Europe
- Prestige positioning of évolis® in the US
- Secured national retail partner, Priceline, in Australia

2H FY2020 - FY2021 - COVID-19 disruption to retail and supply chains

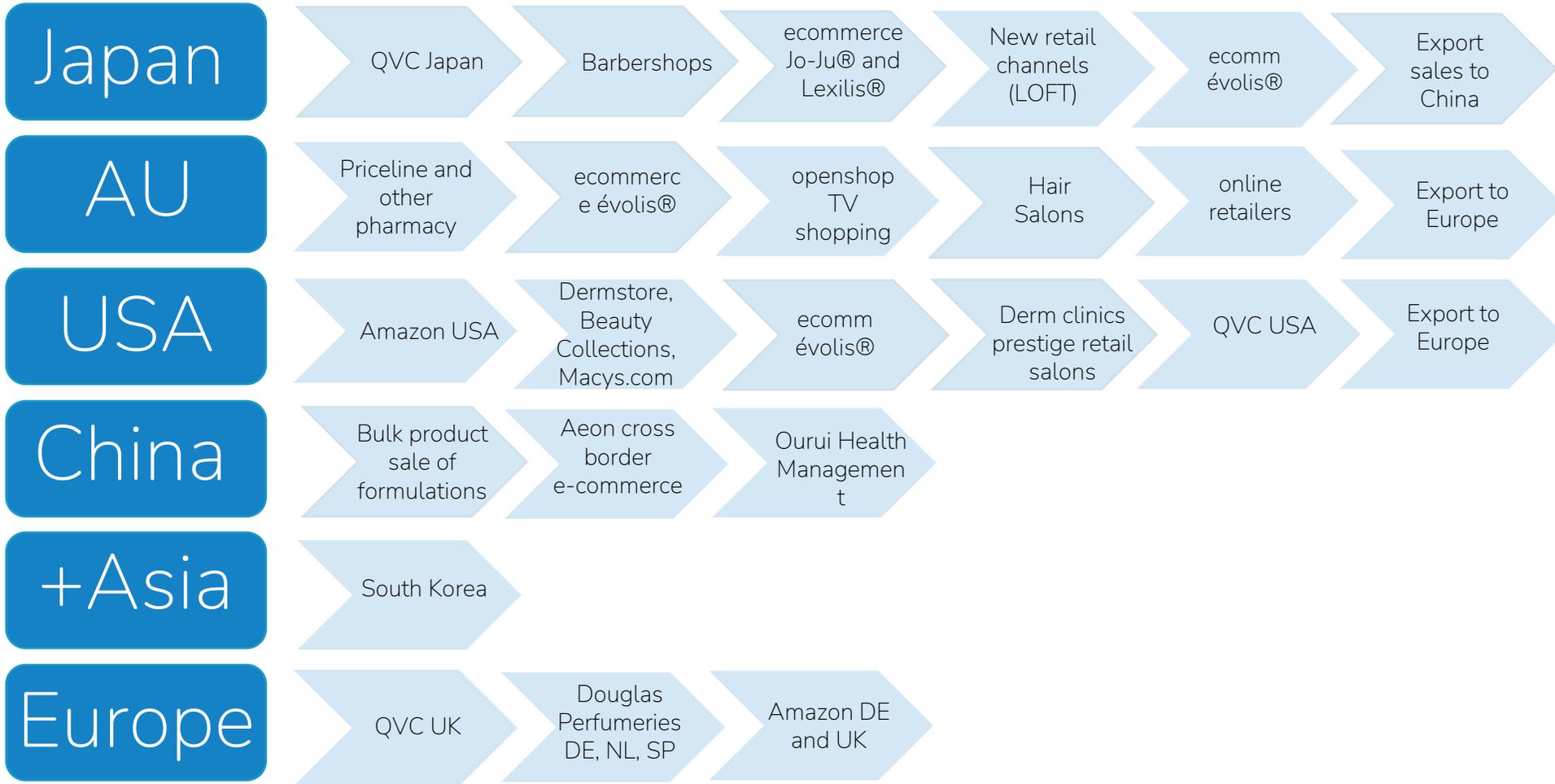
- Significant retail disruption, including Nieman Marcus filing for Chapter 11 (largest channel in US in FY2019)
- Delays in shipments to China affected Japanese sales
- Switching to ecommerce to benefit from consumer behaviour change
- New B2B channels in FY2020

2H FY2021 onwards

- Positive impact of Chinese distribution agreements
- Significant investment in ecommerce infrastructure and capabilities
- New product: hair loss supplement
- Building online partnerships in US (Amazon, Dermstore)



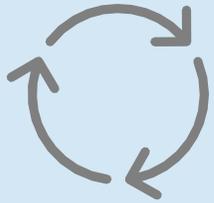
FOCUSED ON MOST PROFITABLE DISTRIBUTION CHANNELS



GROWTH STRATEGY

GROWTH STRATEGY: FY2021 to FY2023

1. GROW REVENUE



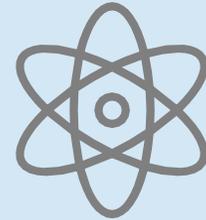
Grow recurring revenue through Chinese distribution agreements, ecommerce, new products and new partnerships

2. ACHIEVE PROFITABILITY



Optimise deployment of capital by focusing on strong cashflow generating opportunities, reducing costs and exploiting economies of scale

3. FOCUS ON BRAND



Focus on product innovation leveraging expertise in hair and systems biology; exploit thought leadership in hair science, generate new intellectual property

GROW REVENUE: TWO CHINESE DISTRIBUTION AGREEMENTS



Ourui Health Management (OHM)

Key Terms:

- Signed in December 2020 for distribution of Jo-Ju® and Lexilis®
- Ten-year agreement
- Distributor to invest in marketing
- Minimum purchase orders with 500K units in first 12 months (50%+ in Oct 2021) and 1 million in Year 2, increasing thereafter
- Revenue impact from 2H FY2021
- First order received for 84K units with revenue of \$530K
- Import permits for shampoos – able to sell fully finished products



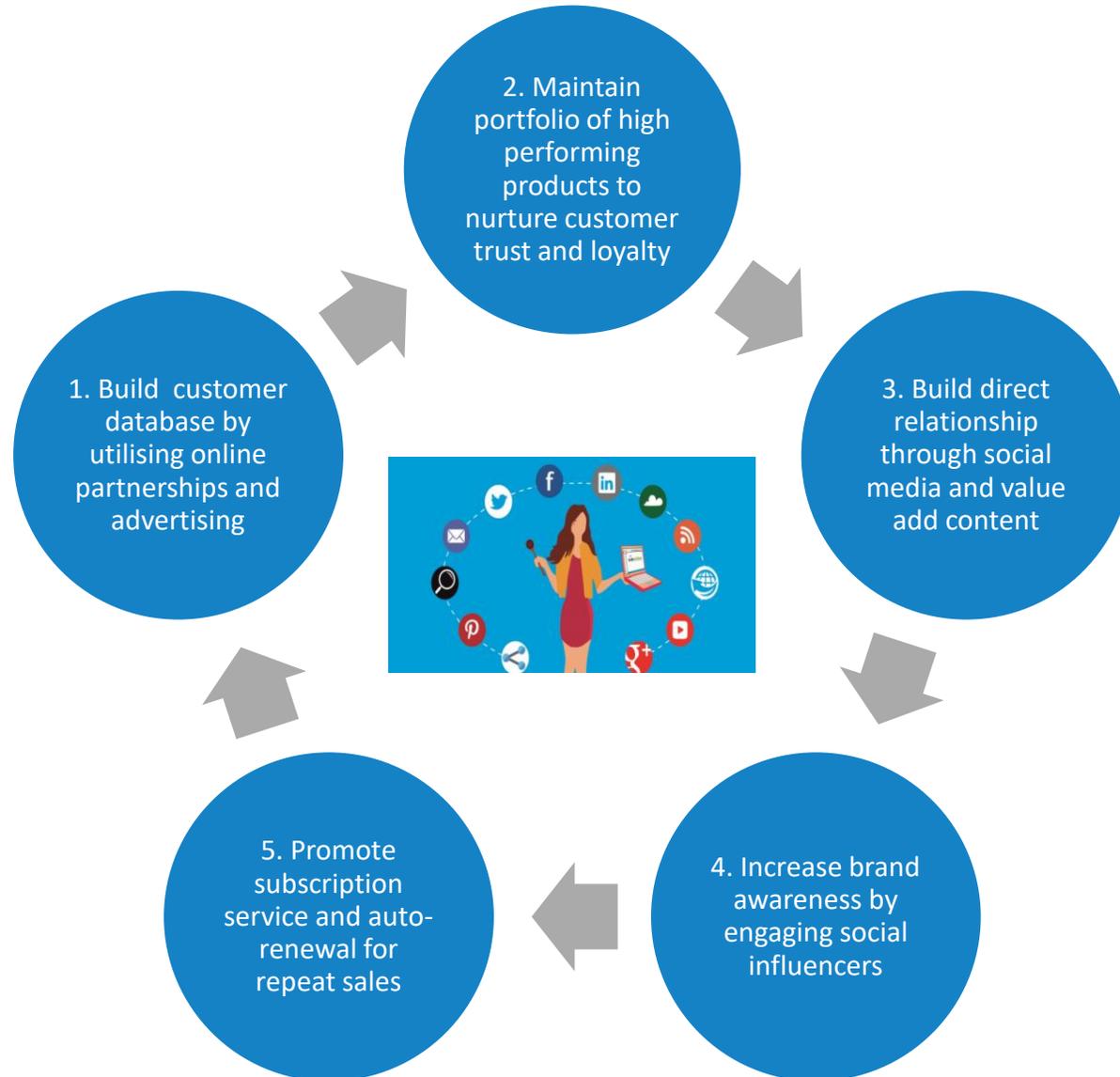
Aeon International (Aeon)

Key Terms:

- Renegotiated in 1H FY2021 for distribution of évolis® pharmacy products
- évolis® T-mall store officially opened in December 2020; six-month marketing and sales commenced
- Cross Border Ecommerce (CBEC) allows international brands to penetrate the Chinese direct to consumer market without import permits
- First orders received

Together, these two agreements could contribute around 30% of total revenue by FY2023

GROW RECURRING REVENUE: ECOMMERCE



PRODUCT PERFORMANCE IS THE KEY TO SUBSCRIPTIONS AND REPEAT CUSTOMERS

- Ecommerce performance indicators
 - Total online revenue
 - Conversion rates
 - Number of transactions
 - Average transaction size
 - Lifetime customer value
- Performance indicators are improving for the online businesses in the USA and Australia
- Upgraded ecommerce platform is due to launch in July 2021
- Growing online revenue from third parties (sell through to consumers is improving)

GROW REVENUE: B2B PARTNERHSIPS

- Cellmid have been investing in its own e-commerce infrastructure and digital marketing capabilities while concurrently building distribution partnerships with online retailers
- This mixed model has been an important strategy to build the online business cost effectively
- Cellmid now generates over 70% of US sales and 50% of Australian sales through online channels
- Cellmid will continue to nurture customers through B2B partnerships, from affiliate programs and invest in customer retention strategies



ACHIEVE PROFITABILITY

Optimise capital deployment

- Invest in opportunities with strong cash generating potential
- Implement operational efficiencies through automated inventory, accounting and customer management systems

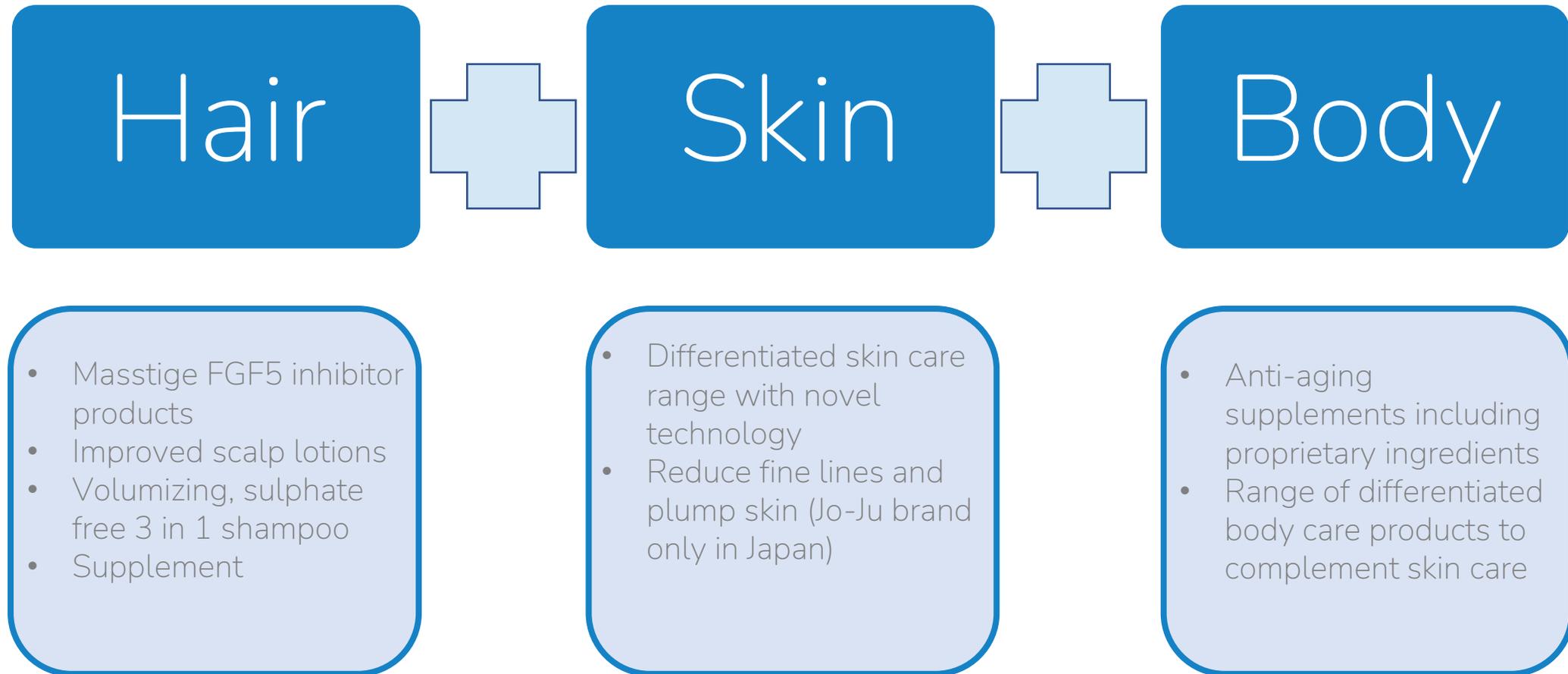
Continue to improve supply chain

- More strategic ingredient sourcing to improve cost of goods
- Transition to sustainable packaging including biodegradable or recyclable materials

Take advantage of economies of scale

- Continue to explore opportunities for large scale sourcing of ingredients and packaging
- Utilise multiple supply channels for continuity

FOCUS ON NEW PRODUCT DEVELOPMENT



FINANCIAL OVERVIEW AND OUTLOOK

Q3 FY2021– KEY HIGHLIGHTS

AUD\$M	Q3 FY2021	Q3 FY2020
Cash balance	8.8*	3.0
Net operating cashflow	(0.15)	(0.90)
Consumer Health Revenue	958K	858K
Australian Consumer Health Revenue	240K	224K
Japanese Consumer Health Revenue	674K	565K
US Consumer Health Revenue	133K	98K

*\$8.8m includes net funds received from the rights issue in early April and \$500K the upfront payment from the Lyramid share sale

- Underwritten rights issue raising \$4.5 million (before costs)
- Well-funded to execute growth strategy
- Q3 sales up on pcp
- Received first order from exclusive Chinese distribution agreement with Ourui Health Management (OHM)
- Underlying cash outflow reduced to \$1.7 million and improved operating cashflow
- New products: hair loss supplement formulation and topical products for Asian hair market on track for 1H FY2022
- Built inhouse capabilities in performance marketing, social and digital activities, creative content and web development
- On track for profitability in FY2022

UPCOMING MILESTONES

Expand in China: Increase market penetration and sales in China through cross border ecommerce, social commerce and the recently issued import permits for Jo-Ju and Lexilis shampoos

USA and Australia sales growth: Through existing channels (Priceline, Amazon, Dermstore, Tru Beauty), new products, new brand partnerships and ecommerce

Japanese sales growth: Increase export of heritage brands from Japan to other Asian markets, increase Japanese sales through new partnerships

Korea launch: Launch of evolix in Korea through third party distributor in FY2022





THANK YOU

Maria Halasz
CEO

info@cellmid.com.au

+61 9221 6830