

ASX ANNOUNCEMENT

FY2019 FINANCIAL RESULTS SHOW ACCELERATING SALES GROWTH AND IMPROVED OPERATING PERFORMANCE

HIGHLIGHTS

- **Accelerating consumer health revenue growth:** Consumer health revenue growth of 30%* in FY2019, up from 25% in FY2018
- **Improved operating results:** Consumer health operating results improved with a 42% reduction in operating loss to \$0.7 million, down from \$1.2 million in FY2018
- **Investing for global growth:** Significant investment in senior management team, distribution channels, e-commerce and digital market capabilities plus operational efficiencies
- **Guidance confirmed:** Cellmid is on track to reach operating profitability in the consumer health business in FY2020

SYDNEY, 28 AUGUST 2019: Cellmid Limited (ASX: CDY) is pleased to release its full year financial results for the year ending 30 June 2019. Over the past year, Cellmid has made significant progress towards building a profitable consumer health business and added value to its drug portfolio readying it for partnering.

In September 2018, Cellmid raised \$10 million and these funds have been effectively deployed to reduce debt and liabilities, strengthen the balance sheet and invest in future growth.

In FY2019, consumer health revenue grew by 30%* up from 25% in FY2018. Inventories started building in 2H2019 in preparation for the strong sales momentum heading into FY2020. Cellmid expects revenue growth to keep accelerating in FY2020 due to the full year benefit of new distribution channels and e-commerce sales initiatives implemented in FY2019.

In FY2019, Cellmid invested in operational efficiencies and improved supply chain logistics, which resulted in stable COGS on growing revenue, improved gross margins and improved leverage in sales and distribution expenses. The operating performance of the consumer health business improved with a 42% reduction in operating loss to \$0.7 million, down from \$1.2 million in FY2018. Cellmid confirms its guidance that the consumer health business is on track to reach operating profitability in FY2020.

Over the past year, Cellmid has continued to develop its midline asset portfolio. In June 2019, Bart Wuurman was appointed as CEO of Lyramid to accelerate partnering discussions and to exploit opportunities for the commercialization of its

*Like for like increase in consumer health sales was 39%. In FY2019 sales revenue is reported net of discount and rebates (\$7,338,967), while FY2018 sales revenue (\$5,652,386) was reported inclusive of discounts and rebates, which subsequently were added to expenses. This had a net negative effect of approximately \$300K on FY2019 sales revenue, with no impact on profit and loss.

midkine assets. Cellmid remains committed to unlocking shareholder value through the separation of the biotech and consumer health business.

Cellmid CEO, Maria Halasz said, "FY2019 was a year of significant investment for Cellmid. We have expanded our distribution channels in the US and around the world, built our e-commerce and digital marketing infrastructure, and we have expanded our senior management capability for global growth. The benefit of these investments will flow through in FY2020 and beyond. We are now well positioned to take advantage of the large market opportunity for our first in class, best in class anti-aging hair products."

End

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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.

business sells its FGF5 inhibitor hair growth products in Australia and Japan, and currently expanding distribution in other territories. For further information, please see www.cellmid.com.au and www.evolisproducts.com.au.