CELLMID

ASX ANNOUNCEMENT

NEW DISTRIBUTION CHANNELS TO DRIVE REVENUE GROWTH FROM 2H FY2020

- **Significant expansion of distribution:** In 1H FY2020, Cellmid established and expanded 18 new distribution channels across premium beauty retailers, pharmacies and television shopping channels in Australia, USA, Japan, Europe and Asia. The revenue impact of these new distribution channels is expected to accelerate growth in 2HY 2020 and onwards.

- **Impact of growing distribution**: USA sales were up 74% and Australian sales grew 24% on pcp showing the early impact of the expanded distribution. This is expected to accelerate as all channels come online in 2H 2020.

- **Effective execution of strategy:** In February 2019, Cellmid released its Growth Strategy to the market and is pleased to report that material progress has and is being been made across all aspects of operations over the past year, including diversification of revenue and a new senior management team.

- **On track for operating profitability:** Guidance is confirmed for operating profitability in the consumer health business in FY2020 driven by revenue growth in new distribution channels.

SYDNEY: Wednesday, 26 February 2020: Cellmid Limited (ASX: CDY) is pleased to report the Company's 1H FY2020 results which show the strong foundations that are necessary to drive future revenue growth.

Consumer health revenue increased by 5.5% to $3.66 million (up from $3.49 million in 1H FY2019). The revenue was adversely impacted by the timing of a major export shipment to China in 1H FY2020, which is expected to ship during 2H FY2020. The loss for the Group, after income tax, was down by 60% to $1.4 million (down from $3.5 million in 1H FY2019). After considering one-off expenses, legal fees, incurred during 1H FY2019, losses were even on pcp.

There was an increased investment in new distribution channels, reflected in the selling and distribution expenses, that were 28% up on pcp to $1 million in 1H FY2020. Inventory holdings increased 46% in 1H FY2020 on pcp to $2.4 million in preparation for scaling into the existing and newly established channels.

In total, Cellmid established and expanded 18 new distribution channels in 1H FY2020 including Priceline and *openshop* in Australia, Douglas Perfumeries and QVC Germany in Europe, Beauty Collection and Rymax in the US, as well as export sales into Korea, Singapore, Cambodia and China. In addition, Cellmid has invested heavily in e-commerce capabilities across Australia and the USA.

The financial impact of these new distribution channels has started to show in the USA and in Australia, where sales were up 74% and 24% respectively on pcp. This is expected to accelerate in 2H FY2020 and in the following years. In 1H FY2020, Cellmid

CELLMID LIMITED ACN 111 304 119 ASX I CDY
Suite 204, Level 2, 55 Clarence Street,
Sydney NSW 2000 AUSTRALIA
TELEPHONE +61 2 9221 6830 FACSIMILE +61 2 9221 8535
WEB www.cellmid.com.au

successfully diversified its revenue base with 28% of all consumer sales in markets outside of Japan, up from 21% in 1H FY2019.

Cellmid is actively monitoring macroeconomic developments, including those in relation to the COVID 19 containment measures, and will advise the market immediately should there be a material impact expected on the Company's operations or profitability.

Cellmid CEO Maria Halasz said, "We are very proud of the enormous progress we have made over the past year in implementing our strategic growth plan. Our new senior management team has worked hard to expand our global footprint, diversify our revenue and expand our e-commerce and we are well positioned to accelerate revenue growth through these new distribution channels in the months and years ahead."

Approved for release by the Board of Directors.

CONTACT

Company
Maria Halasz, CEO
Cellmid
T +612 9221 6830
info@cellmid.com.au

Cellmid Limited (ASX: CDY)

Cellmid is an Australian life sciences company with a consumer health business and biotech assets in development. 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.myevolis.com.au.

Cellmid also has two wholly owned subsidiaries, Lyramid and Kinera, which develop innovative novel therapies and diagnostic tests for fibrotic diseases, cancer and ischemic diseases of the heart. Cellmid holds the largest and most comprehensive portfolio of intellectual property relating to the novel targets midkine (MK) globally.

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.

Cellmid Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Cellmid Limited
ABN:	69 111 304 119
Reporting period:	For the half-year ended 31 December 2019
Previous period:	For the half-year ended 31 December 2018

2. Results for announcement to the market

The Group has adopted Accounting Standard AASB 16 'Leases' during the half-year ended 31 December 2019 using the modified retrospective approach and as such the comparatives have not been restated. Refer to note 1 to the financial statements for further details.

				$
Revenues from ordinary activities	up	5.5%	to	3,658,992
Loss from ordinary activities after tax attributable to the owners of Cellmid Limited	down	60.2%	to	(1,395,375)
Loss for the half-year attributable to the owners of Cellmid Limited	down	60.2%	to	(1,395,375)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the Group after providing for income tax amounted to $1,395,375 (31 December 2018: $3,504,477).

For further commentary on the results refer to the 'Review of operations and financial results' contained within the Directors' report of the attached Interim Report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	4.55	7.63

Intangibles and right-of-use assets have been excluded from the calculation of net tangible assets per ordinary security.

4. Control gained over entities

The Company did not gain or lose control over any entities during the half-year period.

5. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

6. Attachments

Details of attachments (if any):

The Interim Report of Cellmid Limited for the half-year ended 31 December 2019 is attached.

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7. Signed

Signed ____________________________ Date: 26 February 2020

Dr David King
Chairman

Cellmid Limited

ABN 69 111 304 119

Interim Report - 31 December 2019

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Cellmid Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019 ('1H FY2020').

Directors
The following persons were Directors of Cellmid Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Dr David King
Ms Maria Halasz
Dr Martin Cross
Mr Dennis Eck
Mr Bruce Gordon
Dr Fintan Walton

Principal activities
The Group has operated primarily through its subsidiary companies, Advangen Limited ('Advangen') and Lyramid Limited ('Lyramid'). The principal activities of the Group during the financial half-year were:

Advangen	Advangen is the owner of ‘first in class’ and ‘best in class’ proprietary technologies, formulations, trademarks and brands based on FGF5 inhibition, a novel approach to hair loss and anti-aging hair care. During the reporting period Advangen developed new formulations, received new trademarks and established new sales channels globally for its cosmetic and over the counter ('OTC') hair loss and anti-aging hair care brands; and
Lyramid	Midkine and midkine antibody research and development. Lyramid is the holder of the largest intellectual property portfolio globally around midkine, a protein associated with various disease states, including chronic inflammatory diseases and cancer. Lyramid continued with the development and commercialisation of diagnostic and therapeutic products for the management of diseases targeting midkine.

Review of operations and financial results

Operating results
The operating performance of the Group continued to improve during the first half year of FY2020. Revenue from contracts with customers increased 5.5% to $3,658,992 (31 December 2018: $3,468,240). The revenue was adversely impacted by the timing of a major shipment to fulfil a Chinese export order, which is expected to be recognised in 2H FY2020. In addition, research and development tax credit of $840,288 was also received during the financial half-year (31 December 2018: $807,973). The loss for the Group after providing for income tax was down 60% from the previous corresponding period at $1,395,375 (31 December 2018: $3,504,477).

The Group is monitoring the events relating to the COVID-19 outbreak and will inform the market should there be any material impact on the business or its results.

The Group adopted Accounting Standard AASB 16 'Leases' during the financial half-year ended 31 December 2019 using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption resulted in an increase in the loss for the half-year of $18,988. Refer to note 1 to the financial statements for further details.

Review of operations

The Group made significant progress towards delivering on its key objectives to increase shareholder value; the separation of Advangen and Lyramid by the end of 2020 and operational profitability for Advangen in FY2020. The Group achieved several key milestones during 1H FY2020 and made the following progress to reach these important strategic objectives in the consumer (Advangen) and biotech (Lyramid) divisions:

New distribution channels	In the first half of FY2020, the Group expanded its distribution channels in all regions. In Australia the Group launched on television shopping channel openshop (ASX announcement 14 October 2019), commenced export sales to Germany and China (ASX announcement 1 October 2019) and secured national retail partnership with Priceline (ASX announcement 6 November 2019). In the USA new sales channels have been secured with new beauty retailers and now the focus is on securing a national salon distributor. Agreements with QVC USA, Germany and UK have progressed and launch events in all new QVC territories are expected in 2H FY2020. New export opportunities were identified in Korea, Singapore, Cambodia and China for the Jo-Ju® and Lexilis® brands out of Japan;
Expanded e-commerce	The Group continued to invest in its e-commerce platform as well as social and digital marketing activities increasing the évolis® tribe in Australia and USA. Performance indicators such as customer acquisition costs and conversion rates have been showing improvement during the reporting period;
Expanded leadership team	Brian McGee was appointed as CEO of Advangen LLC ('USA') during the reporting period, further expanding the leadership team. He brings to the Group 30 years of sales and business development experience in the US hair industry. The Group has appointed five senior leaders since January 2019 to deliver on operational objectives;
New product launches	The Group launched the STYLE & TREAT Dry Shampoo, another ‘first in class’ product, in late 2019 in the USA and Australia and progressed further with the development of a masstige FGF5 inhibitor product range, primarily targeting mass market retailers such as CVS and Target in the USA; and
Continued preparation for separating the consumer and biotech divisions	Lyramid CEO, Bart Wuurman, has been actively working to engage with potential strategic partners and dedicated funding sources for the midkine antibody development project have been identified. In addition, work on uncovering aspects of midkine biology important in drug development continued in order to secure strategic partnerships.

Advangen

Revenue from the FGF5 inhibitor hair growth and anti-aging hair care products grew 5.5% during the financial half-year to \$3,640,941 (31 December 2018: \$3,468,240). The growth was largely the result of an increase of 74% in the US sales to \$396,619 (31 December 2018: \$227,798) and a 24% increase in Australian sales to \$623,497 (31 December 2018: \$504,089). Japanese sales were down 4% to \$2,620,825 (31 December 2018: \$2,736,353) due to the timing of a significant shipment of Lexilis® lotion to China. This shipment is expected to be delivered in 2H FY2020.

The Group invested aggressively in manufacturing during 1H FY2020, and inventory holdings increased by 46% on prior comparative period ('pcp') in preparation for an increase in sales in the second half of the financial year from existing and new channels. The Group expects to continue to scale into the substantially diversified sales channels in Australia and the USA, and build momentum in export markets, such as China, Korea and Cambodia from Japan.

Australian consumer sales are set to increase as the partnership with Priceline is launched in March

- Australian sales were up 24% to $623,497 (31 December 2018: $504,089). Operating losses were down 27% in Australia to $593,222 (31 December 2018: $811,640);
- A key milestone in achieving profitability in Australia, securing a national retail partner, was completed in November 2019 when an agreement with Priceline was signed. The partnership will see the évolis® Professional line stocked in approximately 400 stores from March 2020. Selling the 3-step systems initially, the launch will be executed in stores and online to Priceline's customer base;
- Sales on television shopping channel, openshop, commenced in October 2019. Since then, three shows have been recorded including the évolis® Professional range and the new STYLE & TREAT Dry Shampoo, which sold out during the first show;
- European export sales commenced in Germany following the retail agreement with Douglas Perfumeries (online and 2 Douglas Pro stores). First orders from QVC Germany have been received and QVC UK is finalising merchant registration. Sales are likely to commence in these channels around the middle of 2020; and
- The Group signed up a cross border e-commerce company to start marketing and sales activities for the évolis® pharmacy range in China (évolis® Professional brand).

US sales increased by 74% on pcp as new channels started to come online

- US sales reached $396,619 during 1H FY2020 (31 December 2018: $227,798), up 74%. The Group's retail partnership with Neiman Marcus continued to expand during the reporting period and accounted for a significant component of that revenue growth. Starting with ten stores at the end of FY2019, the Group reached 30 active stores by the end of 1H FY2020;
- Several new retailers have been secured including Beauty Collections, Macys.com, Rymax and dermstore.com. An important target for 2H FY2020 is to secure a national retail partner, likely to be in the professional salon channel;
- The Group's US public relations campaign continued to deliver outstanding results with mentions in multiple beauty blogs and magazines including Refinry29, Yahoo and Modernsalon.com accessing a total audience reach of around 8 million readers per month, with 21 million potential impressions; and
- Social media activity, Facebook and Instagram, has increased with growth in engagement on both platforms (this was also the case in Australia, which is managed under a US contract).

Japan's growth is tied to new products and new export markets

- Japanese sales were slightly down by 4% to $2,620,825 (31 December 2018: $2,736,353), largely due to timing of a shipment to fulfil a Chinese export order. The margins on the Jo-Ju® and Lexilis® brands remained strong;
- Sales on television shopping channel QVC Japan remained stable. New products will be launched into this channel from the middle of 2020;
- The Group has been active in securing export sales into Korea, Singapore, Cambodia and China, which will drive further growth and profitability of the Japanese operation; and
- The heritage Jo-Ju® and Lexilis® brands remain key revenue drivers and have strong potential for growth as they are becoming better known in and outside of Japan.

Lyramid's intellectual property portfolio is earning attention from potential partners

- The Group received research and development tax credit of $840,288 in 1H FY2020 (31 December 2018: $807,972), reflecting research and development undertaken largely in Lyramid;
- Bart Wuurman, appointed as Lyramid CEO in June 2019, has been actively pursuing opportunities for strategic as well as financial partnerships; and
- Several aspects of midkine biology critical to drug development are currently being studied together with research partners.

The Group's intellectual property portfolio currently stands at 58 granted patents, 14 patent applications under examination and one in Patent Cooperation Treaty ('PCT') filing stage. Importantly, the Group was granted the European patent "Antibody recognising N-domain of midkine", following an extensive examination period. This is an important patent to the Group as it covers the most effective midkine antibodies with strong potential for clinical development.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Events subsequent to reporting date

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

Dr David King
Chairman

26 February 2020

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration

To the Directors of Cellmid Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Cellmid Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

C F Farley
Partner – Audit & Assurance

Sydney, 26 February 2020

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General information

The financial statements cover Cellmid Limited as a Group consisting of Cellmid Limited (the 'Company') and the entities it controlled at the end of, or during, the half-year (collectively the 'Group'). The financial statements are presented in Australian dollars, which is Cellmid Limited's functional and presentation currency.

Cellmid Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 204, Level 2
55 Clarence Street
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 26 February 2020.

	Note	Consolidated 31 Dec 2019 $	31 Dec 2018 $
Revenue			
Revenue from contracts with customers	2	3,658,992	3,468,240
Cost of goods sold		(987,751)	(919,963)
Gross profit		2,671,241	2,548,277
Other income	3	921,218	867,293
Interest revenue calculated using the effective interest method		3,731	49,487
Expenses			
Selling and distribution expenses		(1,047,715)	(817,566)
Research and development expenses		(423,258)	(398,246)
Administration expenses		(2,837,927)	(2,491,909)
Other operating expenses		(598,362)	(901,881)
Impairment losses on financial assets		-	(45,761)
Operating loss		(1,311,072)	(1,190,306)
Finance costs		(78,336)	(181,168)
Legal fees and claim		(5,967)	(2,133,003)
Loss before income tax expense		(1,395,375)	(3,504,477)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Cellmid Limited		(1,395,375)	(3,504,477)
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign controlled entities		(92,359)	25,101
Other comprehensive (loss)/income for the half-year, net of tax		(92,359)	25,101
Total comprehensive loss for the half-year attributable to the owners of Cellmid Limited		(1,487,734)	(3,479,376)
		Cents	**Cents**
Basic earnings per share	15	(1.59)	(4.78)
Diluted earnings per share	15	(1.59)	(4.78)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Cellmid Limited
Consolidated statement of financial position
As at 31 December 2019

	Note	Consolidated 31 Dec 2019 $	Consolidated 30 Jun 2019 $
Assets			
Current assets			
Cash and cash equivalents		3,883,627	3,081,924
Trade and other receivables		1,610,292	2,286,671
Inventories		2,367,739	1,618,408
Other assets		224,661	246,624
Total current assets		8,086,319	7,233,627
Non-current assets			
Property, plant and equipment	6	849,429	800,243
Right-of-use assets	5	697,765	-
Intangibles	7	1,760,144	1,758,264
Total non-current assets		3,307,338	2,558,507
Total assets		11,393,657	9,792,134
Liabilities			
Current liabilities			
Trade and other payables	8	2,277,487	2,426,909
Borrowings	9	383,724	266,804
Lease liabilities		191,201	-
Employee benefits		207,508	214,549
Total current liabilities		3,059,920	2,908,262
Non-current liabilities			
Borrowings	9	948,065	1,019,855
Lease liabilities		525,552	-
Employee benefits		9,168	6,740
Total non-current liabilities		1,482,785	1,026,595
Total liabilities		4,542,705	3,934,857
Net assets		6,850,952	5,857,277
Equity			
Issued capital	10	50,224,247	47,765,837
Reserves	11	562,993	632,353
Accumulated losses		(43,936,288)	(42,540,913)
Total equity		6,850,952	5,857,277

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CELLMID

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2018	38,014,078	2,595,360	(38,754,266)	1,855,172
Adjustment from adoption of AASB 15	-	-	(19,848)	(19,848)
Balance at 1 July 2018 - restated	38,014,078	2,595,360	(38,774,114)	1,835,324
Loss after income tax expense for the half-year	-	-	(3,504,477)	(3,504,477)
Other comprehensive income for the half-year, net of tax	-	25,101	-	25,101
Total comprehensive (loss)/income for the half-year	-	25,101	(3,504,477)	(3,479,376)
Transactions with owners in their capacity as owners:				
Shares issued-net of transaction costs	9,462,141	92,359	-	9,554,500
Transfer of equity value of 2017 loan repaid early	-	(48,255)	-	(48,255)
Transfer between reserves	-	48,255	(48,255)	-
Shares issued -employee share scheme	318,414	-	-	318,414
Balance at 31 December 2018	47,794,633	2,712,820	(42,326,846)	8,180,607

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2019	47,765,837	632,353	(42,540,913)	5,857,277
Loss after income tax expense for the half-year	-	-	(1,395,375)	(1,395,375)
Other comprehensive loss for the half-year, net of tax	-	(92,359)	-	(92,359)
Total comprehensive loss for the half-year	-	(92,359)	(1,395,375)	(1,487,734)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 10)	2,458,410	-	-	2,458,410
Share-based payments	-	22,999	-	22,999
Balance at 31 December 2019	50,224,247	562,993	(43,936,288)	6,850,952

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 31 Dec 2019 $	Consolidated 31 Dec 2018 $
Cash flows from operating activities			
Receipts from customers		4,554,045	3,088,914
Payments to suppliers and employees		(6,815,446)	(7,352,409)
Interest received		3,731	49,487
Finance costs		(78,336)	(181,168)
Royalty income received		80,930	59,321
Grant income		840,288	807,972
Net cash used in operating activities		(1,414,788)	(3,527,883)
Cash flows from investing activities			
Payments for property, plant and equipment	6	(90,015)	(22,197)
Payments for intangibles	7	(3,001)	-
Net cash used in investing activities		(93,016)	(22,197)
Cash flows from financing activities			
Proceeds from issue of shares	10	2,594,000	10,025,000
Transaction costs	10	(135,590)	(470,500)
Proceeds from borrowings		249,489	-
Repayment of borrowings		(204,359)	(2,148,595)
Payments of lease liabilities		(78,374)	-
Net cash from financing activities		2,425,166	7,405,905
Net increase in cash and cash equivalents		917,362	3,855,825
Cash and cash equivalents at the beginning of the financial half-year		3,081,924	1,607,783
Effects of exchange rate changes on cash and cash equivalents		(115,659)	(51,401)
Cash and cash equivalents at the end of the financial half-year		3,883,627	5,412,207

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standard was most relevant to the Group:

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the administration expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening accumulated losses as at 1 July 2019 was as follows:

	1 July 2019 $'000
Operating lease commitments as at 1 July 2019 (AASB 117)	998,635
Operating lease commitments discount based on the weighted average incremental borrowing rate of 5%	(90,689)
Low-value assets leases not recognised as a right-of-use asset (AASB 16)	(112,819)
Right-of-use assets (AASB 16)	795,127
Lease liabilities - current (AASB 16)	(187,146)
Lease liabilities - non-current (AASB 16)	(607,981)
Reduction in opening accumulated losses as at 1 July 2019	-

Note 1. Significant accounting policies (continued)

The impact on adoption for the current half-year under AASB 16 when compared to AASB 117 was an additional expense as follows:

	Consolidated 31 Dec 2019 $
Increase in other operating expenses (additional amortisation under AASB 16)	97,362
Increase in finance costs (unwind of lease liability interest expense under AASB 16)	19,878
Decrease in administration expenses (rental expense under AASB 117)	(98,252)
Additional expense under AASB 16 when compared to AASB 117	18,988

When adopting AASB 16 from 1 July 2019, the Group has applied the following practical expedients:
- applying a single discount rate to the portfolio of leases with reasonably similar characteristics;
- accounting for leases with a remaining lease term of 12 months as at 1 July 2019 as short-term leases;
- excluding any initial direct costs from the measurement of right-of-use assets; and
- using hindsight in determining the lease term when the contract contains options to extend or terminate the lease.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Payments associated with short-term leases, with a lease term of 12 months or less, and leases of low-value assets, such as the Japanese lease, are recognised on a straight-line basis as an expense in profit or loss.

Comparatives
Certain comparative in the statement of profit or loss and other comprehensive income and statement of financial position have been reclassified, where necessary, to be consistent with current year presentation. There was no impact on the result or net assets.

Note 2. Revenue from contracts with customers

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 Dec 2019 $	31 Dec 2018 $
Major product lines		
Heritage hair loss brands including Jo-Ju® and Lexilis®	2,604,102	2,601,180
évolis® pharmacy range	468,987	377,807
évolis® professional range	567,852	489,253
Diagnostics income	18,051	-
	3,658,992	3,468,240
Timing of revenue recognition		
Goods transferred at a point in time	3,658,992	3,468,240

Refer to note 4 for disaggregation of revenue by geographical regions.

Note 3. Other income

	Consolidated	
	31 Dec 2019 $	31 Dec 2018 $
Other income	80,930	59,321
Research and development tax credit	840,288	807,972
Other income	921,218	867,293

Note 4. Operating segments

Identification of reportable operating segments
The Group is organised into four operating segments based principally on geographic regions. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The information reported to the CODM is on a monthly basis.

CELLMID

Note 4. Operating segments (continued)

Operating segment information

Consolidated - 31 Dec 2019	Lyramid Australia $	Advangen Australia $	Advangen USA $	Advangen Japan $	Total $
Revenue					
Sales to external customers	18,051	623,497	396,619	2,620,825	3,658,992
Other income	895,529	5,184	-	20,505	921,218
Interest revenue	3,731	-	-	-	3,731
Total revenue	917,311	628,681	396,619	2,641,330	4,583,941
Corporate costs and unallocated items					
Consultancy expense					(96,276)
Subscription expense					(41,991)
Occupancy expense					(119,567)
Share-based compensation					(22,999)
Directors remuneration					(162,965)
Employee benefits expense					(331,313)
Depreciation and amortisation expense					(14,320)
Loss before income tax expense					(1,395,375)
Income tax expense					-
Loss after income tax expense					(1,395,375)
Segment breakdown:					
Total revenue	917,311	628,681	396,619	2,641,330	4,583,941
Cost of goods sold	(20,854)	(142,071)	(70,480)	(754,346)	(987,751)
Selling and distribution expenses	(116,749)	(315,409)	(175,135)	(440,422)	(1,047,715)
Research and development expenses	(240,670)	(136,468)	-	(46,120)	(423,258)
Administrative and employment expenses	(151,777)	(503,088)	(433,578)	(1,094,736)	(2,183,179)
Other operating expenses	(174,353)	(124,867)	62,943	(227,402)	(463,679)
Operating profit/(loss)	**212,908**	**(593,222)**	**(219,631)**	**78,304**	**(521,641)**
Finance costs	(24,563)	-	-	(53,773)	(78,336)
Legal fees and claim	-	(5,967)	-	-	(5,967)
Segment profit/(loss)	188,345	(599,189)	(219,631)	24,531	(605,944)

Note 4. Operating segments (continued)

Consolidated - 31 Dec 2018	Lyramid Australia $	Advangen Australia $	Advangen USA $	Advangen Japan $	Total $
Revenue					
Sales to external customers	-	504,089	227,798	2,736,353	3,468,240
Other income	857,137	3,041	4,039	3,076	867,293
Interest revenue	49,487	-	-	-	49,487
Total revenue	906,624	507,130	231,837	2,739,429	4,385,020
Corporate costs and unallocated items					
Consultancy expense					(120,084)
Subscription expense					(93,748)
Occupancy expense					(94,365)
Share-based compensation					(318,414)
Directors remuneration					(112,965)
Employee benefits expense					(369,208)
Depreciation and amortisation expense					(7,575)
Loss before income tax expense					(3,504,477)
Income tax expense					-
Loss after income tax expense					(3,504,477)
Segment breakdown:					
Total revenue	906,624	507,130	231,837	2,739,429	4,385,020
Cost of goods sold	-	(144,680)	(58,891)	(716,392)	(919,963)
Selling and distribution expenses	(119,876)	(333,794)	(130,634)	(233,262)	(817,566)
Research and development expenses	(275,655)	(85,222)	(3,978)	(33,391)	(398,246)
Administrative and employment expenses	(191,572)	(591,204)	(176,848)	(853,915)	(1,813,539)
Other operating expenses	(103,977)	(163,870)	(72,608)	(169,198)	(509,653)
Operating profit/(loss)	**215,544**	**(811,640)**	**(211,122)**	**733,271**	**(73,947)**
Finance costs	(126,430)	-	-	(54,738)	(181,168)
Legal fees and claim	(31,783)	(2,101,220)	-	-	(2,133,003)
Segment profit/(loss)	57,331	(2,912,860)	(211,122)	678,533	(2,388,118)

Note 5. Right-of-use assets

	Consolidated 31 Dec 2019 $	Consolidated 30 Jun 2019 $
Non-current assets		
Right-of-use assets	795,127	-
Less: Accumulated depreciation	(97,362)	-
	697,765	-

Note 5. Right-of-use assets (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Office premises $
Balance at 1 July 2019	-
Adoption of AASB 16 on 1 July 2019	795,127
Depreciation expense	(97,362)
Balance at 31 December 2019	697,765

Note 6. Property, plant and equipment

	Consolidated 31 Dec 2019 $	Consolidated 30 Jun 2019 $
Non-current assets		
Computers and office equipment - at cost	603,425	516,431
Less: Accumulated depreciation	(406,423)	(383,431)
	197,002	133,000
Fixtures and fittings - at cost	53,139	52,599
Less: Accumulated depreciation	(37,583)	(35,860)
	15,556	16,739
Midkine - at cost	1,000,000	1,000,000
Less: Accumulated depreciation	(363,129)	(349,496)
	636,871	650,504
	849,429	800,243

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Computers and office equipment $	Furniture and fittings $	Midkine $	Total $
Balance at 1 July 2019	133,000	16,739	650,504	800,243
Additions	89,474	541	-	90,015
Foreign exchange movements	(4,926)	-	-	(4,926)
Depreciation expense	(20,546)	(1,724)	(13,633)	(35,903)
Balance at 31 December 2019	197,002	15,556	636,871	849,429

Note 7. Intangibles

	Consolidated 31 Dec 2019 $	Consolidated 30 Jun 2019 $
Non-current assets		
Patents and trademarks - at cost	2,605,483	2,509,874
Less: Accumulated amortisation	(845,339)	(751,610)
	1,760,144	1,758,264

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Patents and trademarks $
Balance at 1 July 2019	1,758,264
Additions	3,001
Foreign exchange movements	66,032
Amortisation expense	(67,153)
Balance at 31 December 2019	1,760,144

Note 8. Trade and other payables

	Consolidated 31 Dec 2019 $	Consolidated 30 Jun 2019 $
Current liabilities		
Trade payables	900,102	685,223
Other payables	1,377,385	1,741,686
	2,277,487	2,426,909

Note 9. Borrowings

	Consolidated 31 Dec 2019 $	Consolidated 30 Jun 2019 $
Current liabilities		
Bank loans	383,724	266,804
Non-current liabilities		
Bank loans	948,065	1,019,855
	1,331,789	1,286,659

Note 10. Issued capital

	Consolidated 31 Dec 2019 Shares	Consolidated 30 Jun 2019 Shares	Consolidated 31 Dec 2019 $	Consolidated 30 Jun 2019 $
Ordinary shares - fully paid	96,596,866	83,609,475	50,224,247	47,765,837

Note 10. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	$
Balance	1 July 2019	83,609,475	47,765,837
Shares issued	18 October 2019	4,400,000	880,000
Shares issued	8 November 2019	5,270,000	1,044,000
Shares issued	20 November 2019	3,317,391	670,000
Share transaction costs		-	(135,590)
Balance	31 December 2019	96,596,866	50,224,247

Share buy-back
There is no current on-market share buy-back.

Note 11. Reserves

	Consolidated 31 Dec 2019 $	Consolidated 30 Jun 2019 $
Foreign currency reserve	436,044	528,403
Share-based payments reserve	126,949	103,950
	562,993	632,353

Movements in reserves
Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency reserve $	Share-based payments reserve $	Total $
Balance at 1 July 2019	528,403	103,950	632,353
Foreign currency translation	(92,359)	-	(92,359)
Share-based payments expense	-	22,999	22,999
Balance at 31 December 2019	436,044	126,949	562,993

Note 12. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 13. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 14. Contingent liabilities

The Group has given bank guarantees as at 31 December 2019 of $129,560 (30 June 2019: $129,560) to various landlords, in respect of lease of commercial office space.

There were no other contingent liabilities as at 31 December 2019 and 30 June 2019.

Note 15. Earnings per share

	Consolidated	
	31 Dec 2019 $	31 Dec 2018 $
Loss after income tax attributable to the owners of Cellmid Limited	(1,395,375)	(3,504,477)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	87,706,815	73,315,418
Weighted average number of ordinary shares used in calculating diluted earnings per share	87,706,815	73,315,418
	Cents	Cents
Basic earnings per share	(1.59)	(4.78)
Diluted earnings per share	(1.59)	(4.78)

8,500,000 options over ordinary shares and 200,000 performance options over ordinary shares have been excluded from the calculation of the diluted earnings per share as they were anti-dilutive.

Note 16. Events after the reporting period

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Dr David King
Chairman

26 February 2020

Grant Thornton

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Review Report

To the Members of Cellmid Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying financial report of Cellmid Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year then ended on the date, a description of accounting policies, other selected explanatory notes, and the Directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Cellmid Limited does not give a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cellmid Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Grant Thornton Audit Pty Ltd
Chartered Accountants

C F Farley
Partner – Audit & Assurance

Sydney, 26 February 2020

CELLMID

1H FY2020 Financial Results

26 February 2020

ASX: CDY

CELLMID

Driving towards **operational profitability in the consumer health division and unlocking value** from the midkine portfolio

Forward looking statements

This presentation contains 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 presentation. Actual results could differ materially depending on factors such as the availability of resources, regulatory environment, the results of advertising, sales activities and competition.

AGENDA

1. Overview
2. 1H FY2020 Highlights
3. Growth Strategy Update
4. Outlook

OVERVIEW

CELLMID LEADING INNOVATION IN HAIR LOSS AND ANTI-AGING HAIR CARE

- ‘First in class’ and ‘best in class’ clinically validated anti-aging hair care products
- TGA listed hair treatment solutions with strong therapeutic claims
- Over 15 years of dedicated research into hair growth and hair biology
- The first and only topical solution for hair loss and thinning that addresses hair follicle biology (FGF5 inhibition)
- Patented FGF5 inhibitor technology and ingredients

evolis Professional	evolis Pharmacy	Joju and Lexilis

PRODUCT PERFORMANCE DRIVES REPEAT ORDERS – EVOLIS WORKS

The **only** anti-aging haircare product range that is based on **natural ingredients, clinically and scientifically validated** and effective in **reducing hair loss** and **increasing hair growth**

- TGA indications:
  - Promotes hair growth
  - Helps reduce hair loss and thinning
  - Lengthens the natural hair growth cycle by inhibiting FGF5.
- Formulated with natural botanical active ingredients and new range is free from parabens, silicones, phthalates and animal testing

	Clinical Validation	Naturally Based	Reduces Hair Loss	Increases Growth Rate	Increases Maximum Hair Length	Improves Texture	No side Effects
évolis®	✓	✓	✓	✓	✓	✓	✓
Minoxidil	✓		✓	✓			
Nioxin						✓	✓
Viviscal elixir		✓					✓
Galderma qilib		✓					✓
Alpecin							✓
Foltene serum		✓					✓
BC Bonacure						✓	✓
Aveda		✓				✓	✓
Kerastase		✓				✓	✓
Living Proof						✓	✓
éprouvage		✓				✓	✓

Source: PubMed publication reviews, product website disclosures and product labels

GLOBAL MARKET OPPORTUNITY

USA

- 18 million men and women are suffering from hair loss in the US
- 30% of women experience hair loss by age 50 increasing up to 50% by age 70 and
- 50% of men experience significant hair loss by age 50

CHINA

- 185 million men and women in China suffer from hair loss
- 20% of Chinese men and 6% of Chinese women experience hair loss by the age of 40
- 60-70% of younger people suffer from hair loss or have serious hair loss concerns

MARKET RESEARCH – HAIR LOSS IS A DEEPLY EMOTIONAL ISSUE THAT EFFECTS WELLBEING, CONFIDENCE AND RELATIONSHIPS

60%

of hair loss sufferers would rather have more hair than money or friends

47%

of hair loss sufferers would spend their life savings to regain full head of hair

40%

of Australians who experienced hair loss or thinning have lost self esteem and confidence

48%

of Australians who select their partner based on their hair when dating

40%

of people with hair loss felt it made them look older and less attractive

1H FY2020 HIGHLIGHTS

CONSOLIDATED – 1H FY2020 HIGHLIGHTS

CELLMID

- **Underlying performance:** The operating performance of the company improved in 1H FY2020 with total revenue up 5.5% on pcp and the loss down 60% to $1.4 million (before excluding one-off legal expenses during 1H FY2019).
- **Strengthened balance sheet:** In October 2019, Cellmid completed a $2.5M capital raise to fund working capital for expansion into new distribution channels. The cash balance is up 26% since June 2019 to $3.9 million.
- **Investment into inventory:** Over the past six months, the Company invested heavily in new inventories (up 46% pcp) to supply the newly opened distribution channels in Australia, USA, Japan and Germany.
- **Opened new distribution channels**: with a 28% increase in marketing and distribution spend compared with pcp, a total of 18 new distribution channels opened during the half year including television shopping in USA, Germany, UK and Australia, in addition to export opportunities in Asia for the Jo-Ju and Lexilis brands.

CONSUMER HEALTH – 1H FY2020 HIGHLIGHTS

Australia:

Revenue up 24%

Consumer health revenue increased by **24% to $623,497** in **1H FY2020** showing early results from *openshop*, Douglas and Priceline partnerships (Priceline official launch in March 2020).

USA:

Revenue up 74%

Consumer health revenue increased by **74%** in **1H FY2020** compared with pcp to **$396,619**, as a result of scaling into existing channels, while several new retail channels have been opened (dermstore.com, Rymax and Macys.com) and expected to come online during 2H FY2020.

Japan:

New export markets in Korea, Singapore and Cambodia

Japanese revenue was steady; impacted by the timing of delivery of a major Chinese export order. This revenue is expected to be shipped in 2H FY2020. **New export arrangements have also commenced in Singapore, Korea and Cambodia** selling Jo-Ju and Lexilis into these markets.

CONSUMER HEALTH – 1H FY2020 HIGHLIGHTS

Maintained high gross margins:

Gross profit margins in 1H FY2020 were at **73%**

New distribution channels:

18 new distribution channels were established or expanded

On track to operating profitability:

Expecting to achieve operational profitability in the consumer health business for **FY2020**

Gross profit margins in 1H FY2020 were at 73% on a group level, a high margin that has proven to be sustainable. With economies of scale, larger manufacturing lots, gross margins are expected to improve in the future.

During **1H FY2020, 18 new distribution channels were established or expanded**, and **total sales and marketing expenses increased by 28%.** A focused investment into e-commerce in Australia and the USA is expected to deliver in the second half of FY2020. Inventories were up by 46% on pcp to satisfy existing and new channels in 2H FY2020.

Cellmid expects that the consumer health business will be **profitable at the operating level for the full FY2020.** On a month by month basis, July, September and November 2019 have been profitable during 1H FY2020.

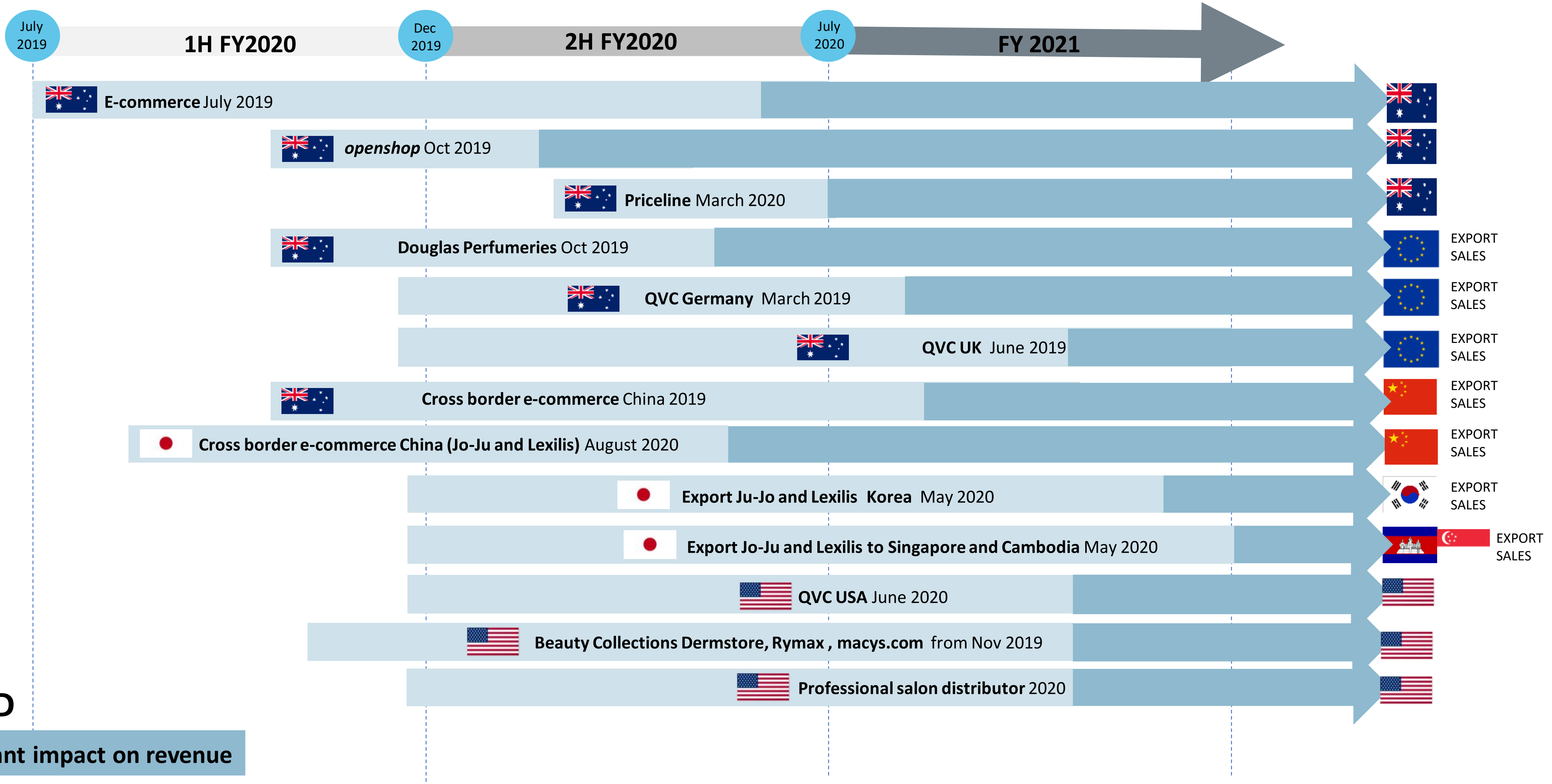
GROWTH STRATEGY UPDATE

1H FY2020 – EXECUTING ON GROWTH STRATEGY

Strategic objectives	1. Diversify distribution	2. Expand e-commerce	3. Expand leadership team	4. New product launch	5. Prepare for separation of businesses
1H FY2020 Progress	✓ Started television shopping channel *openshop* in Australia ✓ Commenced export sales to Germany ✓ Secured cross border e-commerce partner to China ✓ New channels in the USA including macys.com, Beauty Collections and dermstore.com ✓ Agreements with QVC UK, QVC USA and QVC Germany ✓ New export arrangements from Japan to Korea, Singapore and Cambodia	✓ Launched updated website with better user experience ✓ Launched subscription service ✓ Improved on content, click through and conversion rates ✓ PR with 60 hits in print and online publications; Grew access to approx. 8 million readers per month ✓ Improved on social media platforms, set up Instagram and Facebook in Germany	✓ Appointed Brian McGee as CEO of the USA operations	✓ Launched the STYLE & TREAT Dry Shampoo in October ✓ Completed formulation, design and pre-production product development for the masstige FGF5 inhibitor products	✓ Actively engaged with a number of potential collaboration and funding partners during the period

CELLMID

NEW DISTRIBUTION CHANNELS ESTABLISHED IN 1H FY2020



LEGEND

Significant impact on revenue

Launch or preparation phase

BUILDING BRAND AWARENESS

MODERN SALON

Style

How Japanese Tea Rose Helps Reverse Hair Aging and Loss

èvolis Professional is hip to the power packed in rose hips, which is the round portion of the rose flower just below the petals. Rose hip contains the seeds of the rose plant which in turn contain Vitamin C and Vitamin A, moisturizing fatty acids and a range of botanical antioxidants. The nutrient and vitamin profile of Japanese Rose Hips have been incorporated into products from **èvolis Professional** including the **PROMOTE activator,** and the **NEW Style + Treat Dry Shampoo.**

èvolis Professional scientists have also discovered that Japanese Rose Hips contain FGF5 (or fibroblast growth factor 5) inhibiting compounds. FGF5 is a damaging protein in the hair cycle as it causes hair to stop growing, rest and then fall. Excess buildup of FGF5 is an important factor in hair loss and hair aging, so blocking FGF5 with reverse the signs of hair aging and help prevent hair fall.

WELL GOOD

4 HAIR-CARE ESSENTIALS THAT WILL TAKE ANY ROUTINE UP A NOTCH

Brushing

First up is one of the most basic hair tools of all: the brush. "It's the most fundamental and transformative tool, and everyone should have a handmade, high-quality brush for your pre-wash routine," says Cohen. For straight or wavy hair types, brushing dry hair can help to add more volume and shine to your strands, while for curly or coily hair types brushing can help to detangle and prep hair for the shower. If your hair type is one of the latter, trichologist and chief scientist at Evolis Professional Dominic Burg, PhD, recommends *only* brushing before a shower—after detangling with a comb first—to distribute your scalp's healthy oils down to the tips your strands. "Getting these oils from the origin to your ends is important for hair health and helps to maintain the health of your ends," he says. "After detangling, the hair should be sectioned into small bundles and brushed using wide-spaced bristles from root to tip." Try something like the Goody Mixed Bristle Brush ($10) from a drugstore, or Briogeo Vegan Boar Bristle Brush ($22), both of which work on all hair types.

Towel-dry

If your hair's wet, it's more prone to breakage, and Cohen points out that how you dry it matters. By blotting your hair or wrapping it up in a soft towel, it can help your hair air-dry more quickly if it's on the thinner side or to retain moisture as you style it if it's curly. "Using the same cotton towel that you use to dry your body can cause frizz and damage," she says. This happens because thick, rough threads create friction against your hair and cause frizz. Instead, invest in a microfiber towel, which is much smoother for much less friction. "You don't want to create tangles, so rather than rubbing, you should wrap your hair or gently pat dry with a quick-absorbing microfiber towel or turban," says Dr. Burg.

Comb

Incorporate a high-quality comb into your hair regimen to help spread product throughout your wet or damp strands or to detangle. "Your hair needs time to absorb the oils and proteins in a conditioner, and I find that using a comb in the shower is really helpful to distribute product and make me slow down my routine," she says. If your hair is curly or coily, Dr. Burg recommends using a wide-toothed comb to "detangle and tease out any knots" when it's wet. Crown Affair The Comb ($38) is a beautiful, display-worthy option, as is Cricket Ultra Smooth Coconut Detangler Comb ($5).

MANE ADDICTS

Oily Scalp But Dry Hair? Here's How to Deal

Oily scalp and dry hair is as annoying as combination skin – and comes with the same set of challenges. How do you tackle this dual issue while not over or under doing it, so that both your head and hair are in perfect equilibrium? We had no idea, so we tapped Dr. Dominic Burg, a biochemist and systems biologist with expertise in hair and scalp biology, who currently works as the Chief Scientist for évolis.

This Is Why Your Scalp is Oily

An oily scalp is a super common problem because the scalp is entirely made up of oil glands, ummm okay. "Every hair follicle has a small oil gland attached to it; scientifically these are known as sebaceous glands. As there are around 100 000 hair follicles on your scalp, there are around 100 000 corresponding oil glands as well," explains Dr. Burg.

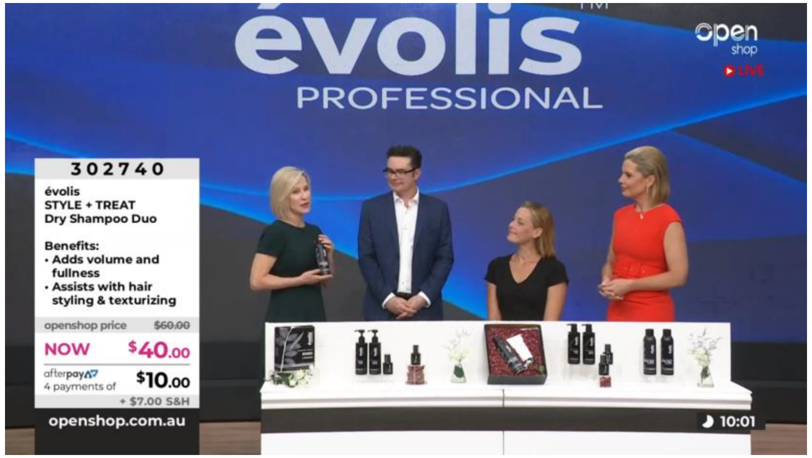
BUILDING BRAND AWARENESS


Hair Special

VON DOUGLAS-CHEFIN TINA MÜLLER

„Kräftige Haare spielen für mich eine ganz besondere Rolle – egal ob die Locken auf dem Kopf, die Wimpern oder die Augenbrauen. Hier kommen meine persönlichen Favoriten."

„Die Kopfhaare werden mit den Jahren häufig dünner und im Herbst fallen sie auch mal verstärkt aus. Einer australischen Biotechnologin ist es gelungen, ein Haarwasser zu entwickeln, dass die Lebensdauer des Haares verlängern kann und den Durchmesser von jugendlichem Haar besser bewahrt. Évolis kräftig das Haar und kann Haarausfall reduzieren. Ich verwende das Produkt seit 6 Monaten und habe das Gefühl, dass meine Haare am Mittelscheitel kräftiger sind."




Scalp Acne: How to Treat and Prevent Your Scalp Breakouts

July 2019-December

Press Hits: 60

Impressions: 183,707,192

Memorable Inclusions: VOGUE, FabFITFUN, Well+Good,Womens Health.com, Modern Salon, Byrdie,com, Yourtango, Cosmopolitan, ALLURE, Glamour Magazine, AskMen.com, Zoe Report *and many more!*

CELLMID

SENIOR MANAGEMENT

Maria Halasz | CEO and Managing Director

STRATEGY | BUSINESS DEVELOPMENT | LIFE SCIENCES

With 24+ years in the sector Maria started in corporate finance specialising in life sciences before joining Cellmid eleven years ago as CEO. Maria led the acquisition of the company's current portfolio of midkine and FGF5 inhibitor assets.

Ko Koike| Managing Director, Advangen Japan

BUSINESS DEVELOPMENT | STRATEGY

With over 30 years of experience working in cross border business development roles for a number of Australian and Japanese healthcare companies Ko brings strong strategic and corporate development skills to Advangen.

Dr Dominic Burg | Director of Operations

OPERATIONS | REGULATORY | LIFE SCIENCES

Dominic is an experienced scientist and an accomplished science communicator with a background in large multi-national projects in translational medicine. Dominic has successfully transitioned his analytical and operational skillset towards directing the logistics, manufacture and regulatory affairs of Cellmid.

Dr Graham Robertson | Head of R&D

LIFE SCIENCES | R&D

Graham is an accomplished scientist and researcher with a career spanning four decades. Graham has a thorough knowledge and understanding of biological and pathophysiological processes incorporating both clinical studies and diverse experimental approaches. He has published ~60 papers with >3,000 citations and is an acknowledged expert on midkine.

Raj Ghatge | Marketing Director

BRAND BUILDING | E-COMMERCE

Raj has over 25 years experience in branding and marketing in the beauty and hair care industries internationally, working with industry leaders such as L'Oreal. He has built and taken several brands through significant growth. He specializes in e-commerce.

Gary McCaw | Sales Director

SALES LEADERSHIP | PHARMACY / RETAIL

Gary has 30 years experience in sales, most of this in pharmacy sales in Australia. He is a well respected sales leader and educator focused on people development and growth. Gary is a highly skilled negotiator and has managed key accounts and national teams for major pharmaceutical companies such as Alphapharm .

Dr Bart Wuurman | CEO (Lyramid)

LIFE SCIENCES | COMMERCIALISATION

Bart has over 30 years' experience in innovative drug development, biotech financing, business development and licensing. He has extensive experience in working with R&D based companies in pharmaceutical product development in several therapeutic areas, including cancer, fibrosis and cardiovascular disease.

Bryan McGee | CEO (Advangen USA)

BUSINESS DEVELOPMENT | OPERATIONS

Brian McGee is an accomplished executive with 30 years' experience in sales, marketing and operations in beauty and hair care. During his career he has managed sales teams and operations of some iconic hair care brands including Aveda and, as Chief Operating officer, pioneered the omnichannel retailing of hair colour brand dpHUE. Brian has a successful track record in bringing international brands to the USA.

CDY – FOCUS ON DELIVERING SHAREHOLDER VALUE

- ✓ Significant expansion of the distribution in all territories during 1H FY2020 is expected to deliver accelerated sales in 2H FY2020
- ✓ Sustainable high growth margins and effective cost management, together with growing revenues, are expected to deliver operational profitability for the consumer business in FY2020
- ✓ Continued focus on separating Advangen and Lyramid in 2020 to unlock shareholder value in both businesses
- ✓ Strong management team and board are executing on the sales and marketing strategies to enter new markets and broaden sales channels
- ✓ Extensive IP portfolio to protect scientific innovation behind market leading natural hair loss product range