

ASX ANNOUNCEMENT

EXPANSION OF ONLINE CHANNELS UNDERPINNED STABLE FY2020 RESULTS

Key Highlights

- **Stable revenue throughout disruption to retail:** Consumer health revenue stable in FY2020 at \$7.44 million. Strong positive momentum in 1H FY2020 was capped in 2H due to COVID-19 related business disruption.
- **Continued expansion of distribution channels:** In 1H FY2020, Cellmid established and expanded 18 new distribution channels. New channels added in 2H included Amazon and Dermstore, and the agreement with premium salon distributor Tru Beauty became effective on 1 August 2020.
- **Switch to e-commerce:** In FY2020, online sales accounted for a greater proportion of total consumer health sales, including own websites, online retail partner websites and social commerce.

SYDNEY, Thursday, 27 August 2020: Cellmid Limited (ASX: CDY) is pleased to report the Company's FY2020 results which show the stability of consumer health revenue throughout significant retail disruption.

Consumer health revenue increased by 1% to \$7.44 million in FY2020 (FY2019: \$7.34 million). Although Q4 sales revenue hit a record high of \$3.1 million, the second half results were lower than expectations due to the drop in bricks and mortar retail activity in Japan, Australia and the USA, and the effective closure of Chinese export trade for several months.

Japanese consumer health revenue was down by 5% to \$5.6 million in FY2020, largely as a result of interruptions to trading with China and reduced salon trade in Japan. Australian consumer health revenue increased by 21% in FY2020 to \$1.2 million, driven by the national partnership with API/Priceline and TV shopping channel, openshop. Consumer health sales in the US increased by 51% in FY2020 to \$0.63 million, despite closing stores of the largest retail partner, Neiman Marcus.

Cellmid's focused investment in e-commerce infrastructure and digital marketing capabilities over the past 18 months ensured that online sales continued when retail stores closed, through its own websites, the websites of distribution partners and also through social commerce. Cellmid now generates approximately 60% of its US sales and around 40% of Australian sales through online channels.

Cellmid is progressing towards operational profitability of its consumer health business and is expecting further sales growth in FY2021 through resumed exports to China, increased sales to premium salons in the US, and expanded digital and social commerce in all markets.

"We are very pleased with the underlying resilience of our core business in these difficult trading conditions" said CEO of Cellmid, Maria Halasz. "Although we were expecting significant revenue growth in FY2020 based on our expanded distribution channels, the disruption to the retail environment due to COVID-19 has been unprecedented. Our focus on e-commerce infrastructure and investment in human capital over the past 18 months has been validated though these challenging times and we are well positioned to continue on the growth path in FY2021."

Approved for release by the Board of Directors of Cellmid.

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Cellmid Limited (ASX: CDY)

Cellmid is an Australian life sciences company with a consumer health business and biotech assets in development. Advangen Limited 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. For further information, please see www.cellmid.com.au and www.evolisproducts.com.au. Cellmid's wholly owned subsidiary, Lynamid, develops innovative novel therapies and diagnostic tests for age related diseases including inflammatory and autoimmune conditions. Most recently Cellmid secured access to a range of SARS-CoV-2 antibody and nucleotide tests, both point of care and laboratory based, from various suppliers.

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.