



ASX ANNOUNCEMENT

INVESTOR PRESENTATION

SYDNEY, Wednesday, 10 March 2021: Cellmid Limited (ASX: CDY) is pleased to provide the following Investor Presentation.

Approved for release by the Board of Directors.

End

Contact:

Maria Halasz, CEO

T +612 9221 6830



@mariahalasz

Cellmid Limited (ASX: CDY)

Cellmid is a health and beauty-tech business growing shareholder value through the development, 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

10 March 2021

ASX: CDY



Forward looking statements

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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

- Building a global beauty-tech business
- Growth strategy
- Financial overview
- Outlook



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 skin care range and supplements

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



START WITH 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 (increases hair growth, reduces hair loss)
- Registered as quasi-drug* in Japan
- 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

evolis® Professional



evolis® Pharmacy



Joju® and Lexilis®



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

COVID-19 DISRUPTION HALTED RETAIL MOMENTUM

Strong revenue growth

FY2016 - FY2019

- 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

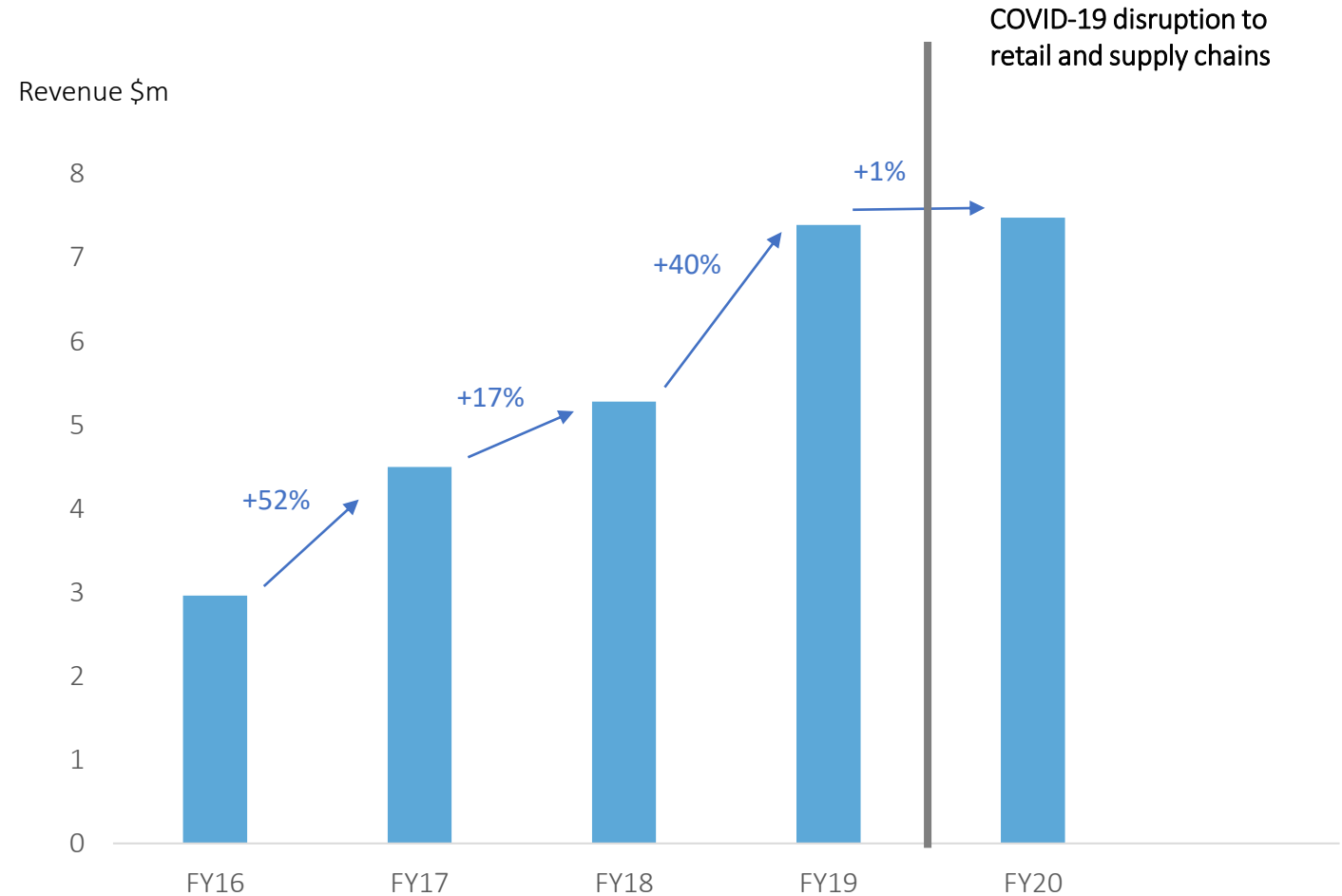
COVID-19 disruption to retail and supply chains

2H FY2020 - FY2021

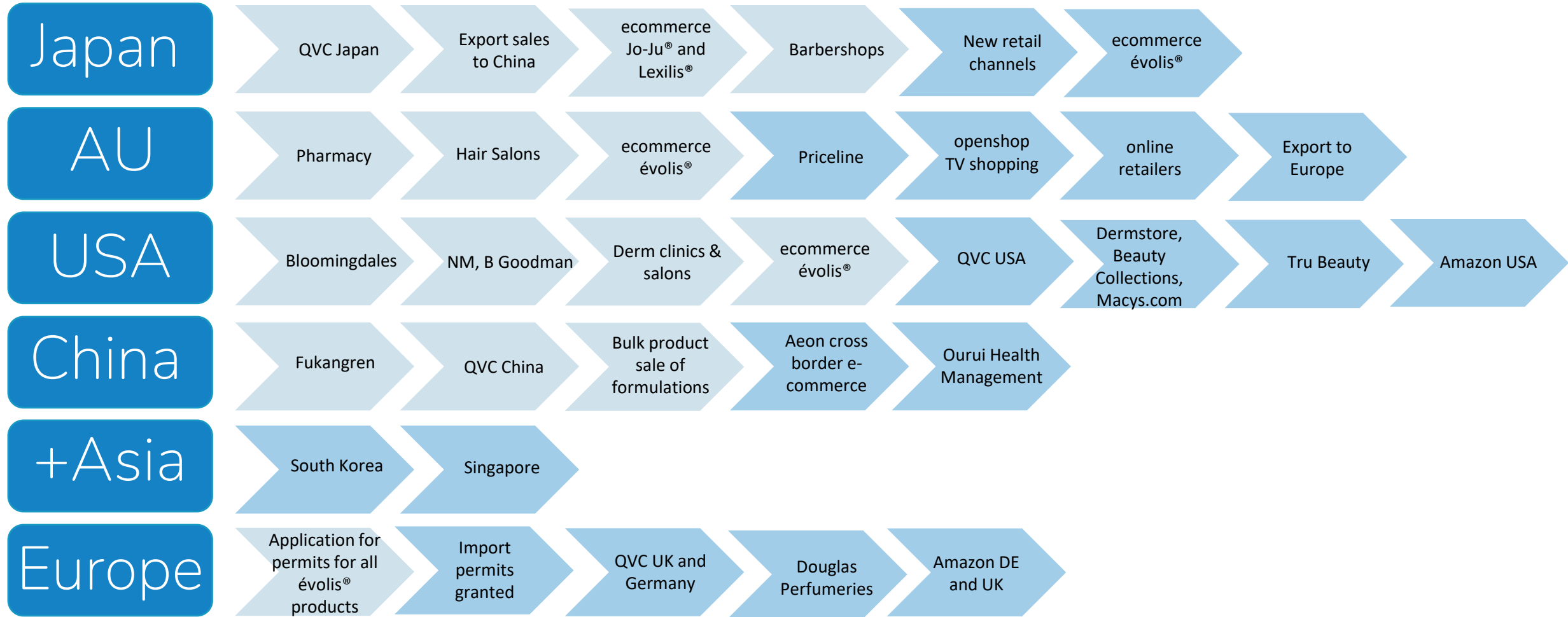
- Significant retail disruption, including Nieman Marcus filing for Chapter 11 (largest channel in US in FY19)
- Delays in shipments to China affected Japanese sales
- Switch to ecommerce to offset decline in retail sales
- 20 new B2B channels in FY20

2H FY2021 onwards

- Positive impact of Chinese distribution agreements
- Significant investment in ecommerce infrastructure and capabilities
- New products including hair loss supplement
- Premium positioning, salon promotion into US



GLOBAL DISTRIBUTION FOOTPRINT



Channels at February 2019



Channels added since February 2019

VALUE CREATION IN THE BEAUTY MARKET

VALUE = BRAND

VALUE = CUSTOMER
DATABASE

VALUE = BRAND +
CUSTOMER DATABASE

L'ORÉAL



Procter&Gamble



Unilever



Traditional brands are losing market share online and offline to independent brands with differentiated, personalised and relatable message.

ADOREBEAUTY

hims

Glossier.

The significant shift to ecommerce produced large online retailers that gained market share from traditional retail but they don't own the brands.

évolis[®]

100%
pure 
Nourish Organic

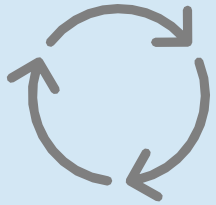
TRUE BOTANICALS

Independent brands with direct to consumer business control their brand and their database. Brand is built on differentiated, efficacious products with natural ingredients.

GROWTH STRATEGY

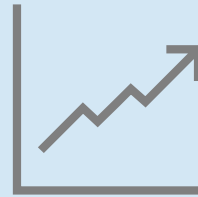
GROWTH STRATEGY: FY2021 to FY2023

1. GROW REVENUE



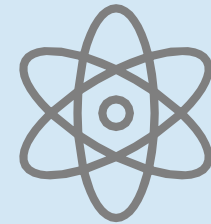
Grow recurring revenue through Chinese distribution agreements, ecommerce, new products and new partnerships

2. ACHIEVE PROFITABILITY



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

3. FOCUS ON BRAND



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

GROW REVENUE: TWO CHINESE DISTRIBUTION AGREEMENTS



Ourui Health Management

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



Aeon International

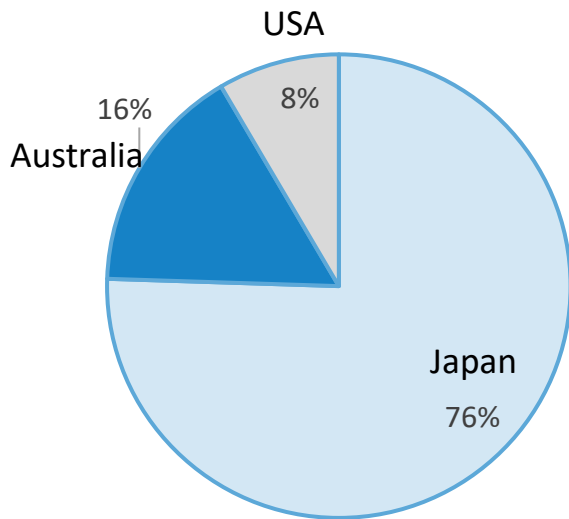
Key Terms:

- Renegotiated in 1H FY2021 for distribution of évolis® pharmacy
- évolis® Tmall store officially opened in December 2020 and sales have commenced
- Cross Border Ecommerce (CBEC) allows international brands to penetrate the Chinese market without import permits
- First orders received

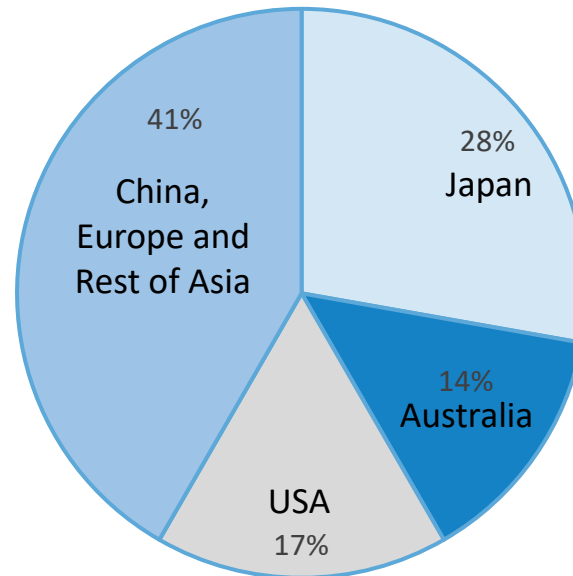
Together, these two agreements could contribute around 40% of total revenue by FY2023

REVENUE EFFECT OF CHINESE DISTRIBUTION

FY2020
TOTAL REV:
\$7.4M



FY2023
TOTAL REV:
\$25M*



Six reasons to focus on the Chinese market

1. The sheer size of the market
2. The impact of the one child policy and the rise of consumer led demand
3. CBEC and the rise of Japanese and Australian brands
4. Chinese obsession with youth, beauty and luxury brands
5. The biggest shopping event in the world: 11/11
6. Hair loss is the number two hair concern amongst Chinese aged between 20-40¹

*Revenue projections are subject to risks and uncertainties and investors are reminded not to rely on these projections unduly and without respect to these risks. Detailed assumptions in relation to these revenues are included on slide 14.

¹ CBNDATA Report on T-Mall Global hair care consumption trends (2020)

FY2023 REVENUE: UNDERLYING ASSUMPTIONS

Distribution channels

- Exploit salon distribution in the USA - FY2022 onwards
- Launch Amazon Europe and Amazon Australia - FY2021
- Launch evolis T-mall store in China with Aeon and successfully execute on joint marketing strategy - FY2011 onwards
- Exploit Jo-Ju and Lexilis import permits in China with distribution partners - FY2021 onwards
- Continue existing growth trajectory in Europe – FY2021 onwards
- Continue existing growth trajectory in Australian salon and pharmacy channels - FY2021 onwards
- Launch locally manufactured evolis branded products in Korea for TV shopping – FY2022

New products

- Launch antiaging skincare range in Australia and Japan - FY2022 onwards
- Launch hair supplement in China, Japan, Australia and USA - FY2022 onwards
- Launch masstige product range in the US – FY2022 onwards

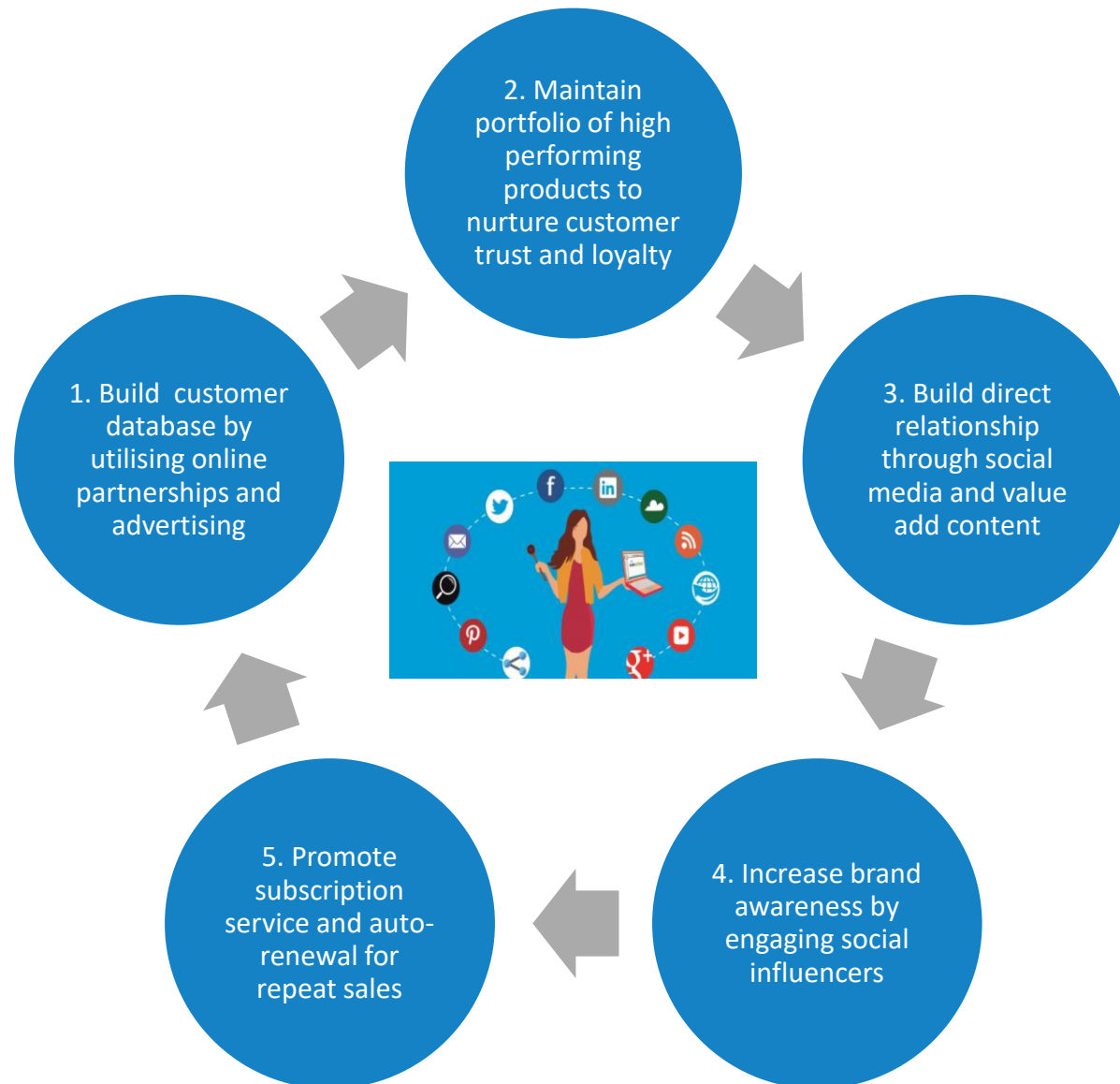
Geographic expansion

- Korea: locally produced evolis branded products (export to other countries in the region)
- China: exploit existing evolis, Jo-Ju and Lexilis partnerships
- Europe: exploit existing Douglas, QVC relationships and add Amazon UK and Germany

ecommerce

- Significant increase in ecommerce expenditure in Australia and the USA and investment in:
 - E-commerce platform
 - Digital and social marketing capabilities
 - Subscription programs
 - Influencer strategy
 - New content creation
 - General marketing

GROW RECURRING REVENUE: E-COMMERCE



PRODUCT PERFORMANCE IS THE KEY TO SUBSCRIPTIONS AND REPEAT CUSTOMERS

Performance Indicators:

- Conversion rates
- Number of transactions
- Average transaction size
- Total online revenue
- Online revenue from third party

All performance indicators are improving for the online businesses in the USA and Australia

GROW REVENUE: B2B PARTNERSHIPS

- Cellmid has invested significantly 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

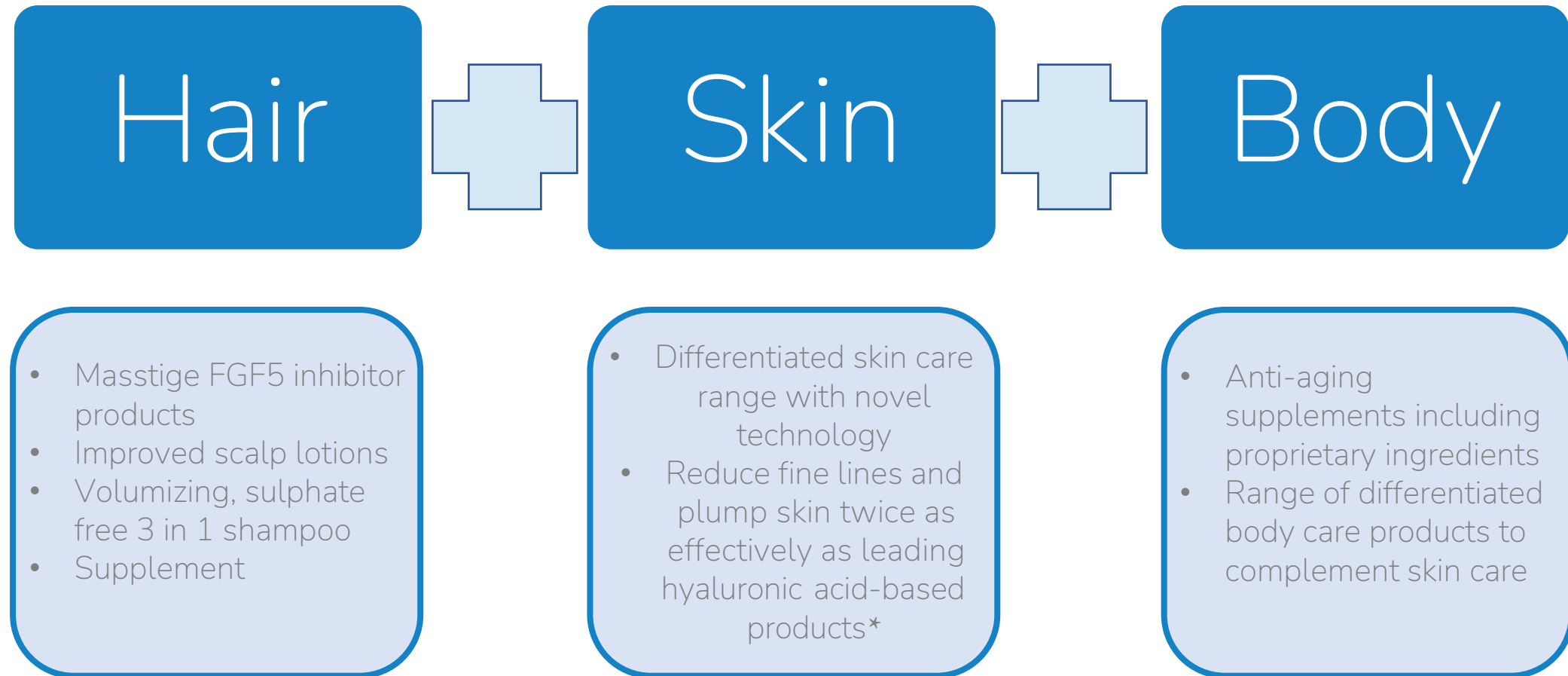
Continue to improve supply chain

- 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



*Independent study conducted in Kyoto University

FINANCIAL OVERVIEW AND OUTLOOK

1H FY2021 RESULTS – KEY HIGHLIGHTS

AUD\$M	1H FY2021	1H FY2020
Revenue from Consumer Health Sales	2.79	3.66
Gross Profit	1.80	2.67
Operating Loss After Tax	(2.39)	(1.40)
Cash	4.55	6.97*
Total Assets	10.86	14.89*
Total Equity	7.39	9.81*
Operating cash flow	(1.99)	(1.34)
EPS	(1.91)	(1.59)

*Balance sheet comparison as at 30 June 2020

- **Consumer health revenue:** Revenue in 1H FY2021 was down 24% on pcp to \$2.79 million, largely due to the timing of major orders, including the Chinese export order. A change in the Japanese QVC sales event schedule also contributed to the lower than pcp revenue.
- **R&D payment timing:** The R&D tax refund of \$840K was received in the first half of FY2020, whereas this payment is expected to be received in the second half of FY2021.
- **Increased investment into ecommerce:** Performance indicators, including conversion rates, number of transactions, average transaction size and total online revenue, continued to improve in the online business in the USA and Australia. Online sales through third party channels have also increased significantly after commencing the Amazon partnership.
- **Lyramid divestment:** An active divestment program was implemented in relation to the biotech assets, including the changing of the intellectual property license between Cellmid and Lyramid on arms length terms and streamlining the research and development activities.
- **Board alignment with growth strategy:** Board changes have been implemented to reflect the sole focus on the consumer facing beauty-tech business.

FY2021: UPCOMING MILESTONES

Expand in China: Increased market penetration and sales in China through cross border ecommerce, social commerce and import permits

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

Japanese sales growth: Sales growth from increased export of heritage brands from Japan to other Asian markets

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

Separate consumer health and biotech: Divestment of Lynamid





THANK YOU

Maria Halasz
CEO

info@cellmid.com.au

+61 9221 6830