

Cellmid Limited

ACN 111 304 119

SUPPLEMENTARY PROSPECTUS

Important Information

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 8 March 2021 (**Prospectus**) issued by Cellmid Limited (**Company**).

This Supplementary Prospectus is dated 31 March 2021 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that day. Neither ASIC nor ASX (and their respective officers) take any responsibility as to the contents of this Supplementary Prospectus.

To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisors without delay.

1 ISSUE OF FURTHER SECURITIES UNDER THE PROSPECTUS

The Company advises that, as a result of excess demand under the Shortfall Offer it has today agreed to issue an additional 9,333,336 New Shares and 4,666,623 attaching New Options under the Prospectus to raise an additional \$700,000 (**Follow-on Placement**). Additional funds raised will be used for the purposes set out in the Prospectus.

The Follow-on Placement is made without Shareholder approval, and the securities will be issued under the Company's existing capacity under Listing Rule 7.1.

The New Options will be listed under the ASX code CDYOA.

Attached to this Supplementary Prospectus is an announcement made by the Company to the ASX today.

The Company now closes the Shortfall Offer and no further issues will be made under the Prospectus.

2 AMENDMENTS TO PROSPECTUS

The following sections of the Prospectus are amended as follows:

2.1 Capital structure

Sections 2, 4 and 5.4 of the Prospectus are amended to reflect the current number of securities on issue:

Shares on issue prior to the Offer	127,212,303
New Shares issued under the Prospectus	60,218,257
Total Shares on issue	187,430,560
Total Options on issue prior to the Offer	10,689,400
New Options issued under the Prospectus ¹	32,367,268
Total Options on issue	43,056,668
Amount raised under the Prospectus (before costs)	\$4,516,369

The number of New Options include 2,258,184 New Options issued to the Underwriter. See section 8.4 of the Prospectus for further details on the fees to be paid to the Underwriter.

2.2 Use of funds

Sections 4 and 5.2 of the Prospectus are amended to reflect the increased amount raised:

Use of funds (approx.)	Amount (A\$)
Chinese distribution agreements: Support cashflow for order fulfilment and broadening product offering in the channels	1,300,000
New product development: Complete development of hair loss supplement and launch in ecommerce channels	534,837
Digital marketing: Broaden digital marketing activities, engage influencers and increase performance marketing to acquire additional subscription customers	1,694,831
Other Working Capital	596,000
Cash costs of the Offer (excluding GST)	390,332
Total use of funds	4,516,000

2.3 Statement of financial position

Set out in the annexure to this Supplementary Prospectus is the unaudited Statement of Financial Position for the Company, as at 31 January 2021 and on the basis of the following assumptions:

- (a) the Offer was effective on 31 January 2021;
- (b) no further Shares are issued other than all Shares offered under this Prospectus;
- (c) \$4,516,000 is received under the Offers; and
- (d) (cash) costs of the Offer are \$331,332.

The pro-forma Statement of Financial Position has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company set out in the annexure to this Supplementary Prospectus. The pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

2.4 Dilution

Shareholders who did not participate in the Offer will have their holdings diluted. Following is a table which sets out the dilutionary effect on the basis of the full amount raised under the Prospectus and assuming no further Shares are issued or Options exercised:

Holder	Holding at Record Date		Entitlement	Holding following the Offer if no Entitlement taken up	
	Number	%		Number	%
1	12,721	0.010%	5,088	12,721	0.007%
2	127,212	0.100%	50,885	127,212	0.068%
3	636,062	0.500%	254,425	636,062	0.339%
4	1,272,123	1.000%	508,849	1,272,123	0.679%

2.5 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Supplementary Prospectus with ASIC withdrawn their written consent:
 - (i) to be named in the Supplementary Prospectus in the form and context which it is named; and

- (ii) where applicable, to the inclusion in this Supplementary Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Supplementary Prospectus;
- (b) has not caused or authorised the issue of this Supplementary Prospectus;
- (c) has not made any statement in this Supplementary Prospectus or any statement on which a statement in this Supplementary Prospectus is based, other than specified below;
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Supplementary Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Supplementary Prospectus with the consent of that person.

Name	Role
Mahe Capital Pty Limited	Lead Manager and Underwriter

2.6 Expenses of the Offer

The total (cash) expenses of the Offer are estimated to be \$307,163, consisting of the following:

Cost ¹	A\$
Legal fees	13,000
ASX and ASIC fees	16,000
Capital raising fees ²	331,332
Printing, postage and other expenses	30,000
Total	390,332

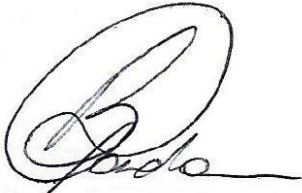
¹ These expenses have or will be paid by the Company.

² The Company has also agreed to issue 1 New Option for every \$2 raised under the Prospectus to the Underwriter or 2,258,184 New Options.

The Directors do not consider the circumstances disclosed in this Supplementary Prospectus to be materially adverse from the point of view of an investor, and no withdrawal rights will be offered to investors.

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC.

Dated: 31 March 2021

A handwritten signature in black ink, appearing to read 'Bruce Gordon', written in a cursive style.

By Bruce Gordon

Chairman

On behalf of Cellmid Limited

SCHEDULE 1 ASX ANNOUNCEMENT MADE ON 31 MARCH 2021

ASX ANNOUNCEMENT

RIGHTS ISSUE CLOSED WITH STRONG DEMAND FROM EXISTING AND NEW INVESTORS

- **Renounceable rights issue seeking to raise up to \$3.8 million closed**
- **Significant demand from shareholders and new institutional and professional investors**
- **Top-up placement of \$700K to accommodate some of the excess demand**
- **Cellmid now well-funded to execute on its growth plans as outlined in the Prospectus dated 8 March 2021**

SYDNEY, Wednesday, 31 March 2021: Cellmid Limited (ASX: CDY) (Cellmid or the Company) is pleased to advise that the renounceable rights issue announced on 8 March 2021 has closed with strong support from existing shareholders and new institutional and professional investors raising **\$3,816,369**.

Lead Manager and Underwriter, Mahe Capital Pty Ltd (ACN 634 087 684) (**Mahe Capital**) received bids from its client base of institutional and professional investors in excess of the available shortfall. To accommodate a portion of the excess demand, the Company has agreed to undertake a placement on the same terms as the rights issue to raise an additional **\$700,000 (Follow-on Placement)**.

Together with the Follow-on Placement, the total amount raised will be **\$4,516,369** before costs. The Company will issue a total of 60,218,257 new fully paid ordinary shares (**Shares**) and 30,109,084 new options exercisable at \$0.18, with an expiry date of 1 April 2023 (**Options**). The Options will be quoted under the ASX code CDYOA.

Under the Follow-on Placement, the Company will issue 9,333,336 new Shares and 4,666,623 CDYOA options. These will be issued without shareholder approval using the Company's existing capacity under Listing Rule 7.1.

The use of the proceeds from the rights issue and the Follow-on Placement has been outlined in detail in the Prospectus (8 March 2021) and the Supplementary Prospectus (31 March 2021) and will include:

- Expanding digital marketing activities, engagement of influencers and increasing performance marketing with the view to increase sales and gain additional subscribers to the Company's products;
- Assisting with the cash flow requirements of the recently signed Chinese distribution agreements;
- Carrying out new product development initiatives; and



- General working capital and to cover costs associated with the offers.

The final results from the Rights Issue and the details of the Follow-on Placement are set out below:

	Funds raised	Shares	CDYOA Options*
Rights taken up	\$1,293,251	17,243,341	8,621,646
Shortfall placed	\$2,523,118	33,641,580	16,820,815
Follow-on Placement	\$700,000	9,333,336	4,666,623
Total	\$4,516,369	60,218,257	30,109,084

*The number of new Shares and CDYOA Options issued is subject to rounding. A further 2,258,184 CDYOA options will be issued to the underwriter as described in the Prospectus.

An appendix 3B for the Follow-on Placement and Mahe Capital options has also been released to the ASX today. A Supplementary Prospectus will be lodged shortly.

The new securities are expected to be issued on 1 April 2021, in accordance with the timetable in the Prospectus.

Cellmid's CEO, Maria Halasz, said "We would like to thank our shareholders for the strong support they have shown us during this rights issue, demonstrating their continued commitment to the Company and enthusiasm for our future as we embark on this transformational path to achieve strong growth and eventual profitability."

Approved for release by the Board of Directors of Cellmid.

Contact:

Maria Halasz, CEO
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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.

SCHEDULE 2 PRO FORMA STATEMENT OF FINANCIAL POSITION

Assets	Unaudited 31-Jan-21	Rights Issue (\$4.516m)	Costs MAHE	Costs Other	PF 31-Jan-21
<i>Current assets</i>					
Cash and cash equivalents	4,426,685	4,516,369	-331,332	-59,000	8,552,722
Trade and other receivables	516,621				516,621
Inventories	2,138,280				2,138,280
Other assets	373,285				373,285
Total current assets	7,454,871				11,580,908
<i>Non-current assets</i>					
Property, plant and equipment	736,045				736,045
Right-of-use assets	569,721				569,721
Intangibles	1,555,767				1,555,767
Total non-current assets	2,861,533				2,861,533
Total assets	10,316,404	4,516,369	-331,332	-59,000	14,442,441
Liabilities					
<i>Current liabilities</i>					
Trade and other payables	1,530,781				1,530,781
Borrowings	353,646				353,646
Lease liabilities	253,040				253,040
Employee benefits	268,655				268,655
Total current liabilities	2,406,122				2,406,122
<i>Non-current liabilities</i>					
Borrowings	702,603				702,603
Lease liabilities	307,155				307,155
Other liabilities	106,378				106,378
Total non-current liabilities	1,116,136				1,116,136
Total liabilities	3,522,258	0	0	0	3,522,258
Net assets	6,794,146	4,516,369	-331,332	-59,000	10,920,183
Equity					
Issued capital	57,796,886	4,516,369			62,313,255
Issued capital - trans. costs	-1,682,602		-331,332	-59,000	-2,072,934
Reserves	850,313				850,313
Result - current year	-2,779,628				-2,779,628
Accumulated losses	-47,390,823				-47,390,823
Total equity	6,794,146	4,516,369	-331,332	-59,000	10,920,183