



# ANNUAL GENERAL MEETING OF SHAREHOLDERS

## CEO PRESENTATION

9 December 2021  
ASX: CDY



# FORWARD LOOKING STATEMENTS

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# AGENDA

- Cellmid
- FY2021 Highlights
- Financial Information
- Pandemic Response
- BLC Acquisition
- FY2022 Outlook
- Introducing Anagenics
- ESG Statement





A health and beauty-tech business with global distribution and sales of proprietary and licensed brands of differentiated, clinically validated anti-aging and longevity solutions



Premium brands, a global distribution footprint and strong sales capabilities into the professional beauty network, DTC and B2B digital platforms

# FY2021 HIGHLIGHTS – DELIVERING AGAINST HEAD WINDS

## FY2021 OPERATIONAL HIGHLIGHTS

Launched new products:  
Jo-Ju EX  
Let there be hair

Launched Australian and US e-commerce platforms

Signed two Chinese distribution agreements

Signed Pump Hair Care – white label agreement

**Acquired  
BLC  
Cosmetics**

## FY2021 FINANCIAL HIGHLIGHTS

Improved operational performance, reduced loss in Australia by 23% to \$909K

Increased Australian revenue by 4% under difficult pandemic conditions

Raised \$4.5 million in March and secured funding for growth

Divested Lynamid  
\$500K plus 4% royalty  
Retained patents



# CDY PROFIT AND LOSS STATEMENT FY2021

CELLMID LIMITED	FY2021	FY2020	% var.
<b>Revenue</b>	<b>5,816,351</b>	<b>7,380,895</b>	-21%
Cost of goods sold	2,112,683	2,533,846	-17%
Gross profit	3,703,668	4,847,049	-24%
	64%	66%	-2%
<b>Other income</b>	<b>1,337,988</b>	<b>1,166,820</b>	15%
Selling and distribution expense	1,028,511	2,024,059	-49%
Administrative and employment expense	4,820,525	5,175,169	-7%
Legal fees and claims	64,841	637,777	-90%
Finance costs	54,756	71,257	-23%
Research and development expense	163,325	849,019	-81%
Gain on disposal of subsidiary	(528,842)	-	
Foreign exchange losses	266,389	34,690	>100%
Other operating expenses	2,042,258	2,039,721	0%
<b>Profit / (loss) before tax</b>	<b>(2,870,108)</b>	<b>(4,817,823)</b>	-40%
Income tax expense	45,049	89,473	-50%
<b>Profit / (loss) after tax</b>	<b>(2,915,157)</b>	<b>(4,907,296)</b>	-41%
<b>EBITDA</b>	<b>(2,119,706)</b>	<b>(4,266,356)</b>	-50%

Improved operational performance under difficult pandemic conditions with revenue down 21% while loss down 41% (EBITDA loss down 50%)

Key areas of savings were research and development expenses and legal fees

One off impairment of assets contributed \$637K to the total loss of \$3.4 million (EBITDA normalised for one off impairment and government support )

# BLC PROFIT AND LOSS STATEMENT FY2021\*\*

BLC GROUP	FY2021	FY2020	% var.
Revenue	7,229,786	5,916,534	22%
Cost of goods sold	3,582,953	3,250,095	10%
Gross profit	3,646,832	2,666,439	37%
	50%	45%	5%
Other income	37,568	328,135	>100%
Selling and distribution expense	648,177	661,143	-2%
Administrative and employment expense	1,964,544	1,592,380	23%
Legal fees and claims	11,636	4,481	>100%
Finance costs	6,992	5,548	26%
Gain on write-off of related party loans & borrowings	(1,724,593)		>100%
Other operating expenses	676,385	655,980	3%
Profit before tax	2,101,260	75,041	>100%
Income tax (benefit)/expense	(2,614)	52,990	>100%
Profit after tax	2,103,874	22,051	>100%
EBITDA	508,385*	(88,365)	>100%

New brands and distribution points contributed to the revenue growth

EBITDA on target at \$508k

EBITDA normalised for non-recurring items of \$1.7 million intercompany loan write off and \$310K government support

\*Excludes gain on interco write off of \$1,724,593 (HGL Limited)

\*\*BLC's financial years ended on 30 September 2021

## APPENDIX 4C - Q1 FY2022

Cashflow from operations	Q1 FY2022
Receipts from customers	2,227,000
(a) research and development	(45,000)
(b) product manufacturing and operating costs	(528,000)
(c) advertising and marketing	(193,000)
(d) leased assets	-
(e) staff costs	(814,000)
(f) administration and corporate costs	(797,000)
Other	(8,000)
Government grants and assistance	83,000
<b>Net cash from / (used in) operating activities</b>	<b>(75,000)</b>
<b>Cash flows from investing activities</b>	<b>(38,000)</b>
<b>Cash flows from financing activities</b>	<b>76,000</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	
Cash and cash equivalents at beginning of period	6,728,000
Net cash from / (used in) operating activities	(75,000)
Net cash from / (used in) investing activities	(38,000)
Net cash from / (used in) financing activities (item 3.10 above)	76,000
Effect of movement in exchange rates on cash held	5,000
<b>Cash and cash equivalents at end of period</b>	<b>6,696,000</b>

Stabilised costs including employment and operational expenses but invested in manufacturing to secure raw materials

Funding to deliver on growth objectives

**\$83K government assistance**



## BUILDING SCALE: PRO FORMA FINANCIAL POSITION\*

CELLMID LIMITED PROFORMA FINANCIAL POSITION	CDY 31 August 2021 \$	CDY Adjusted \$	BLC Pty Ltd 31 August 2021 \$	Valuation Adj. \$	Eliminations \$	CDY PF 31 August 2021 \$
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	6,925,727	6,925,727	98,618	-	-	7,024,345
Trade and other receivables	422,480	422,480	817,006	-25,187	-	1,214,298
Inventories	2,673,489	2,673,489	1,889,682	-58,029	-	4,505,142
Other assets	405,578	405,578	92,197	-	-	497,775
<b>TOTAL CURRENT ASSETS</b>	<b>10,427,274</b>	<b>10,427,274</b>	<b>2,897,502</b>	<b>-83,216</b>	<b>-</b>	<b>13,241,560</b>
<b>NON-CURRENT ASSETS</b>						
Plant and equipment	104,144	104,144	243,000	-29,543	-	317,601
Right of use assets	444,787	444,787	90,000	-	-	534,787
Intangibles	1,582,489	1,582,489	-	-	-	1,582,489
Investment in subsidiary	-	5,100,000	-	112,759	-5,212,759	-
Goodwill on acquisition	-	0	-	-	3,165,990	3,165,990
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,131,420</b>	<b>7,231,420</b>	<b>333,000</b>	<b>83,216</b>	<b>-2,046,769</b>	<b>5,600,867</b>
<b>TOTAL ASSETS</b>	<b>12,558,694</b>	<b>17,658,694</b>	<b>3,230,502</b>	<b>-</b>	<b>-2,046,769</b>	<b>18,842,427</b>

\* On 31 August 2021 the companies have not yet merged and as such can only provide pro forma balance sheet

## BUILDING SCALE: PRO FORMA FINANCIAL POSITION\*



CELLMID LIMITED PROFORMA FINANCIAL POSITION	CDY 31 August 2021 \$	CDY Adjusted \$	BLC Pty Ltd 31 August 2021 \$	Valuation Adj. \$	Eliminations \$	CDY PF 31 August 2021 \$
<b>LIABILITIES</b>						
CURRENT LIABILITIES						
Trade and other payables	950,952	950,952	883,213	-	-	1,834,164
Loans and borrowings	338,020	338,020	-	-	-	338,020
Lease liabilities	251,832	251,832	-	-	-	251,832
Provisions	279,958	279,958	206,926	-	-	486,884
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,820,762</b>	<b>1,820,762</b>	<b>1,090,139</b>	<b>-</b>	<b>-</b>	<b>2,910,900</b>
NON-CURRENT LIABILITIES						
Loans and borrowings	547,368	547,368	-	-	-	547,368
Lease liabilities	202,415	202,415	93,594	-	-	296,009
Provisions	93,908	93,908	-	-	-	93,908
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>843,691</b>	<b>843,691</b>	<b>93,594</b>	<b>-</b>	<b>-</b>	<b>937,285</b>
<b>TOTAL LIABILITIES</b>	<b>2,664,452</b>	<b>2,664,452</b>	<b>1,183,733</b>	<b>-</b>	<b>-</b>	<b>3,848,185</b>
<b>NET ASSETS</b>	<b>9,894,242</b>	<b>14,994,242</b>	<b>2,046,769</b>	<b>-</b>	<b>-2,046,769</b>	<b>14,994,242</b>

\* On 31 August 2021 the companies have not yet merged and as such can only provide pro forma balance sheet

# RESPONDING TO THE IMPACT OF THE PANDEMIC

SALES	SUPPLY CHAIN	HUMAN RESOURCES	ACQUISITIONS
<b>Impact</b> <ul style="list-style-type: none"> <li>Key US partner, Neiman Marcus shut down for most of the financial year, foot traffic in Priceline, our key retail partner in AU reduced significantly</li> <li>China shut down for the first half of the FY</li> </ul>	<b>Impact</b> <ul style="list-style-type: none"> <li>Disrupted supply chain with delays in transport, materials, manufacturing and access to markets</li> <li>Product shortages with increase in raw material costs</li> </ul>	<b>Impact</b> <ul style="list-style-type: none"> <li>Large headcount in markets where our sales dropped</li> <li>Skill shortages in demand areas such as e-commerce</li> <li>The “Great Resignation”</li> </ul>	<b>Impact</b> <ul style="list-style-type: none"> <li>Identifying acquisition targets have been more difficult during the pandemic with businesses going through rapid changes</li> <li>Valuations moved and previous metrics became difficult to assess</li> </ul>
<b>Response</b> <ul style="list-style-type: none"> <li>Switch on pure play e-commerce partners (Amazon, Dermstore)</li> <li>Accelerate investment into own ecommerce platforms, launched AU and USA Shopify sites</li> </ul>	<b>Response</b> <ul style="list-style-type: none"> <li>Pre-purchased raw ingredients</li> <li>Provided favourable payment terms to suppliers and manufacturers to secure products</li> <li>Whilst we experienced delays in access to markets the Company has been able to secure sufficient products and sales were not materially impacted by supply chain issues</li> </ul>	<b>Response</b> <ul style="list-style-type: none"> <li>We have successfully implemented redundancies in the US and Japan (traditionally challenging)</li> <li>We have recruited a team of digital marketers with appropriate skills in strong competition from agencies</li> <li>We have not lost any employees to the “Great Redundancy” with individually tailored pandemic plans for mental and physical health and return to work programs</li> </ul>	<b>Response</b> <ul style="list-style-type: none"> <li>We have focused on core metrics such as profitability and longevity of the business to make decisions</li> <li>We have acquired BLC, not only profitable but with strong compatibility with the evolvis distribution channels</li> </ul>

# BLC TRANSACTION DETAILS

 <b>Deal Information</b>	 <b>Strategic Rationale</b>
<ul style="list-style-type: none"> <li>● Cellmid acquired 100% of BLC Cosmetics (BLC) from HGL Limited (ASX:HNG) (HGL)</li> <li>● Cellmid paid \$3M in the first tranche; \$1M in cash and \$2M through the issue of 32,786,885 shares at 6.1cps, at a 6 X EBITDA valuation</li> <li>● Cellmid may also pay a second tranche, based on an increase in BLC's FY2022 EBITDA, excluding synergies</li> <li>● The second tranche will be calculated as 3 x BLC's audited incremental EBITDA growth, and payable in cash and shares</li> <li>● The 32,786,885 shares issued to HGL are the subject of a voluntary escrow agreement for 24 months</li> <li>● The effective date of the transaction was 1 October 2021</li> <li>● HGL nominated representative director Phil Christopher to the board</li> </ul>	<ul style="list-style-type: none"> <li>● Scale in market with doubling of Cellmid's FY2021 revenue and other income of \$7.3M</li> <li>● The combined group will have \$13M pro forma annualised revenue based on results at 30 June 2021 (unaudited)</li> <li>● <b>Revenue growth opportunities:</b> <ul style="list-style-type: none"> <li>○ BLC's brands sold to Cellmid's customer base and channels</li> <li>○ Cross-selling of Cellmid's own brands into BLC's professional channels in Australia and New Zealand</li> <li>○ Cross promotion on the combined digital platforms</li> </ul> </li> <li>● <b>Operational savings opportunities:</b> <ul style="list-style-type: none"> <li>○ Warehousing, shipping and fulfillment</li> <li>○ New ERP system</li> <li>○ Administrative costs</li> </ul> </li> </ul>

# FY2022 OUTLOOK

## **COVID-19:**

Store and salon sales are likely to continue to be affected in the first half of FY2022 in Australia, but improving from 2H FY2022. Continue to monitor the US for re-entry

## **Immediate growth from BLC acquisition and synergies:**

With a 1 October 2021 effective settlement date CDY will benefit from three quarters of BLC sales in FY2022, in addition to exploiting synergistic revenue growth opportunities

## **Continue to invest in**

**China:** Building the Jo-Ju and evolis brands with CDY's distribution partners, implement product launches and marketing campaigns

## **Focus on e-commerce:**

Build on existing digital platform to increase sales through new products, loyalty programs and creation of anti-aging marketplace

## **Continue white label partnerships:**

Opportunities to expand white label offering to partner brands

## **Deliver on operational savings between CDY and BLC:**

Optimise operations and implement savings in warehousing, logistics, fulfilment and improvements in ERP

# INTRODUCING ANAGENICS (ASX: AN1)\*

## ΑΝΑΓΕΝΝΗΣΗ

### ANAGENNISI

Anagennisi, the inspiration behind our new name Anagenics, is the Greek word for regeneration. The word is meaningful to our next stage of corporate development in three fundamental ways:

- With the sale of Lynamid we have completed the transition of Cellmid into a health and beauty tech business. We are ready to REGENERATE using our strong building blocks of differentiated brands, global distribution footprint, growing revenue and profitability in sight.
- Anagen is the growth phase of the hair cycle, which is also the target of our proprietary FGF5 inhibitor technology. We are the only company in the world to have a direct affect on the anagen phase, and REGENERATE a healthy hair cycle.
- We are targeting aging and our mission is to contribute to health and youthful longevity. We plan to establish a marketplace where people can easily access their preferred products or services to REGENERATE.



\* The Anagenics name and the ASX code AN1 have been reserved but will only be active subject ASIC confirmation.



# DRIVEN BY ENVIRONMENTAL, SOCIAL & GOVERNANCE PRINCIPLES



## Environmental

- We minimise our contribution to landfill through the use of recyclable materials in our packaging and through participating in industry funded recycling schemes (Der Gruner Punkt)
- We seek to use innovative materials with improved recyclability, degradability and/or reusability
- We aim to source ingredients with minimal environmental footprint and those that are grown sustainably

- We encourage diversity and respect of all sexes, races, religions and cultures amongst our employees, suppliers, customers and other stakeholders
- We are committed to providing high quality, effective and ethical products to our customers
- We respect and observe internationally recognised human rights and labour practices



## Governance

- We conduct our business with honesty, integrity and transparency
- Our diversified board ensures that we comply with regulatory requirements and these requirements are considered when making decisions about our business and its stakeholders



## Social

# Evolis on A CURRENT AFFAIR

- <https://cellmid.com.au/investors/cellmid-in-the-media/>





THANK YOU

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