

ASX ANNOUNCEMENT

CELLMID INVESTOR WEBINAR

SYDNEY, Monday, 27 September 2021: Cellmid Limited (ASX: CDY) ('Cellmid' or 'the Company') advises that it will hold a webinar on Wednesday, 29 September 2021 at 11:00am Australian Eastern Standard Time. During the webinar Cellmid CEO Maria Halasz will present the attached slide deck providing an overview of the Company's acquisition of BLC Cosmetics Pty Ltd. The webinar is expected to run for approximately forty-five minutes.

Following the overview participants will be able to ask questions. Those wishing to attend are encouraged to send their questions to info@cellmid.com.au prior to the webinar. Questions may also be submitted during the Company's presentation via the chat function.

Investor webinar details:

When: 11:00am AEST, Wednesday, 29 September 2021
Topic: Cellmid Investor Webinar

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/83147823915?pwd=ZFd5ck1VT2M1cIBQYTgrZytBam11Zz09>

Passcode: 874539

Ends


Approved for release by the Board of Directors.

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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 anti-ageing solutions. Cellmid, through its wholly-owned subsidiary Advangen Pty Ltd, is engaged in the development and sale of first in class, best in class, clinically validated anti-ageing products for hair, skin and body. For further information, please see www.cellmid.com.au and www.evolisproducts.com.au.

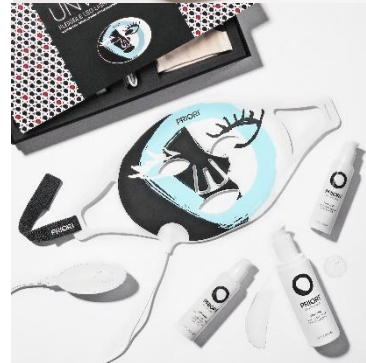
ACQUISITION OF BLC COSMETICS

Creating a leading anti-aging
health and beauty tech company



Forward looking statements

This presentation has been prepared by Cellmid Limited ACN 111 304 119 (CDY or Company) for information purposes only. The presentation may contain forward-looking statements that are not guarantees of future performance and are subject to risks and uncertainties. Such forward looking 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. The factors that may influence the Company's performance include, but not limited to, availability of resources, regulatory environment, technical risks, the results of advertising, sales activities and competition. Readers are cautioned not to place undue reliance on forward looking statements within this presentation. This presentation is not an offer to sell or solicitation, invitation or recommendation to purchase any securities and it does not form the basis of any contract or commitment.






Agenda

- Executive Summary
- Overview of BLC Cosmetics
- Overview of Cellmid
- Transaction Overview
- Board and Management
- FY2022 and Beyond
- ESG Statement






Executive Summary

 Acquisition Overview	 BLC Cosmetics	 Strategic Rationale
<ul style="list-style-type: none"> ● Cellmid signed a share sale agreement with HGL Limited (ASX:HNG) (HGL), to acquire 100% of the shares in BLC Cosmetics Pty Ltd (BLC) ● Cellmid will pay \$3M in the first tranche; \$1M in cash and \$2M through the issue of 32,786,885 shares at 6.1cps ● The first tranche represents an EBITDA multiple of 6 x BLC's FY2021 normalised EBITDA of \$500K* ● Cellmid may also pay a second tranche, based on an increase in BLC's FY2022 EBITDA, excluding synergies. ● The second tranche will be calculated as 3 x BLC's audited incremental EBITDA growth, and payable in cash and shares ● Cellmid will hold a meeting of shareholders on 22 October 2021 to approve the issue of 32,786,885 shares to HGL 	<ul style="list-style-type: none"> ● BLC is wholly owned by HGL Limited, a diversified investment company ● Forecasting approximately \$7M* in revenue in FY2021 ● BLC is a fast growing business with around 20% revenue growth on pcp ● Normalised EBITDA of approximately \$500K* in FY2021, despite significant lockdown disruptions ● BLC has long-term exclusive distribution rights for established premium anti-aging beauty and wellness brands ● BLC's main distribution channels include more than 900 beauty salons and spas including BTB and DTC e-commerce 	<ul style="list-style-type: none"> ● Scale in market with doubling of Cellmid's FY2021 revenue and other income of \$7.3M ● The combined group will have \$13M pro forma annualised revenue based on numbers ending 30 June 2021 (unaudited) ● Revenue growth opportunities: <ul style="list-style-type: none"> ○ BLC's brands sold to Cellmid's customer base and channels ○ Cross-selling of Cellmid's own brands into BLC's professional channels in Australia and New Zealand ○ Cross promotion on the combined digital platforms ○ Operational savings opportunities: <ul style="list-style-type: none"> ○ Warehousing, shipping and fulfillment ○ Single ERP system ○ Administrative costs

*BLC's financial year ends on 30 September 2021 and forecast revenue and EBITDA include 10 months actual and 2 months forecast numbers. EBITDA is normalised to exclude COVID-19 government assistance.

Executive Summary

 Board and Management	 Timing	 Financial Outcomes
<ul style="list-style-type: none"> ● HGL will nominate a Non-Executive Director to the Cellmid Board ● Ms Sarah Eck-Thompson ceases as alternate director to Dennis Eck ● BLC's CEO Nikki Somerset will join Cellmid's key management (KMP) ● There will be no other changes to the board and senior management of Cellmid 	<ul style="list-style-type: none"> ● Cellmid will hold a meeting of shareholders on 22 October 2021 to approve the issuing of 32,786,885 shares to HGL ● Closing is expected in late October 2021, with effective settlement date on 1 October 2021 ● Integration of the businesses will commence immediately after closing ● Synergies are expected to be delivered in FY2022 and beyond 	<ul style="list-style-type: none"> ● Combined group revenue exceeding \$13M based on 30 June 2021 unaudited numbers ● FY2022 sales are already showing organic growth for both companies from existing brands and channels ● Top line effect of the acquisition is expected to be from synergistic revenue generation, in addition to organic growth, during the first full year ● Organic revenue growth is expected to continue for both businesses as local and global trading conditions improve ● Additional operational improvements are likely to deliver further benefits to the bottom line

Overview of BLC Cosmetics

BLC is a leading importer and distributor of prestige international and local skin care and wellness brands

Established in 1974 BLC has strong relationships with brand partners and customers

Servicing around 900 spas, clinics, salons, retail stores in AUS, NZ and Pacific Islands

BLC is a profitable business with a solid track record of revenue growth

FY2021
Revenue
\$7M*

Up 20% on pcp

FY2021
EBITDA
\$500K*

Up 155% on pcp

11

Premium
brands

900+

Distribution
points including
DTC online

8

Sales team in
Aus and NZ

THALGO
LA BEAUTE MARINE

HydroPeptide

[comfort zone]
conscious skin science

LightStim®

KERSTIN
FLORIAN

LINDA MEREDITH
SKINCARE

SCENTERED 

USPA®

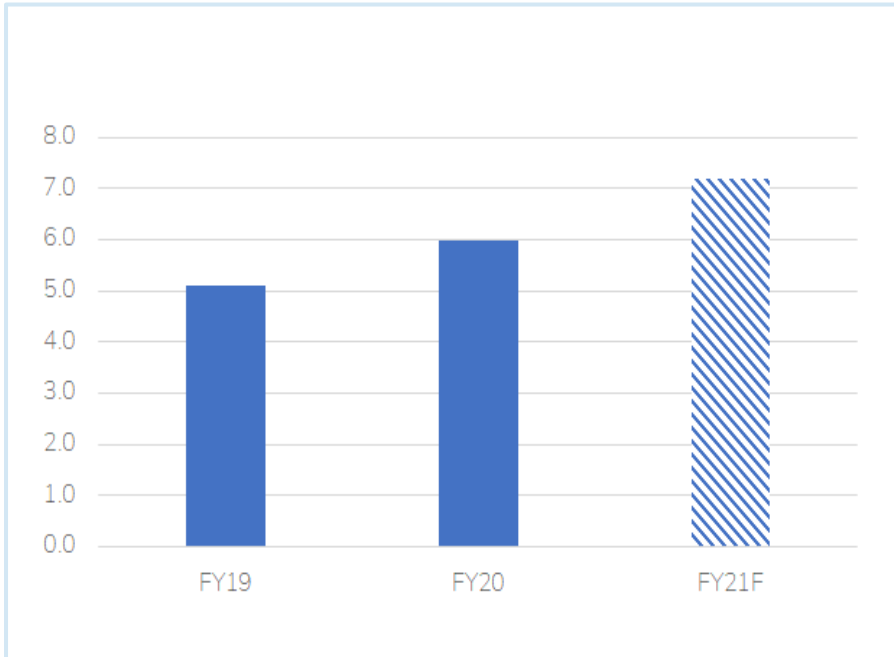
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CIRÉPIL
BY PERRON RIGOT

*BLC's financial year ends on 30 September 2021 and forecast revenue and EBITDA include 10 months actual and 2 months forecast numbers. EBITDA is normalised to exclude COVID-19 government assistance.

BLC: Revenue Growth

Revenue: FY2019 – FY2021F*



**Revenue increased
by 16% in FY2020
and by an expected
20% in FY2021***

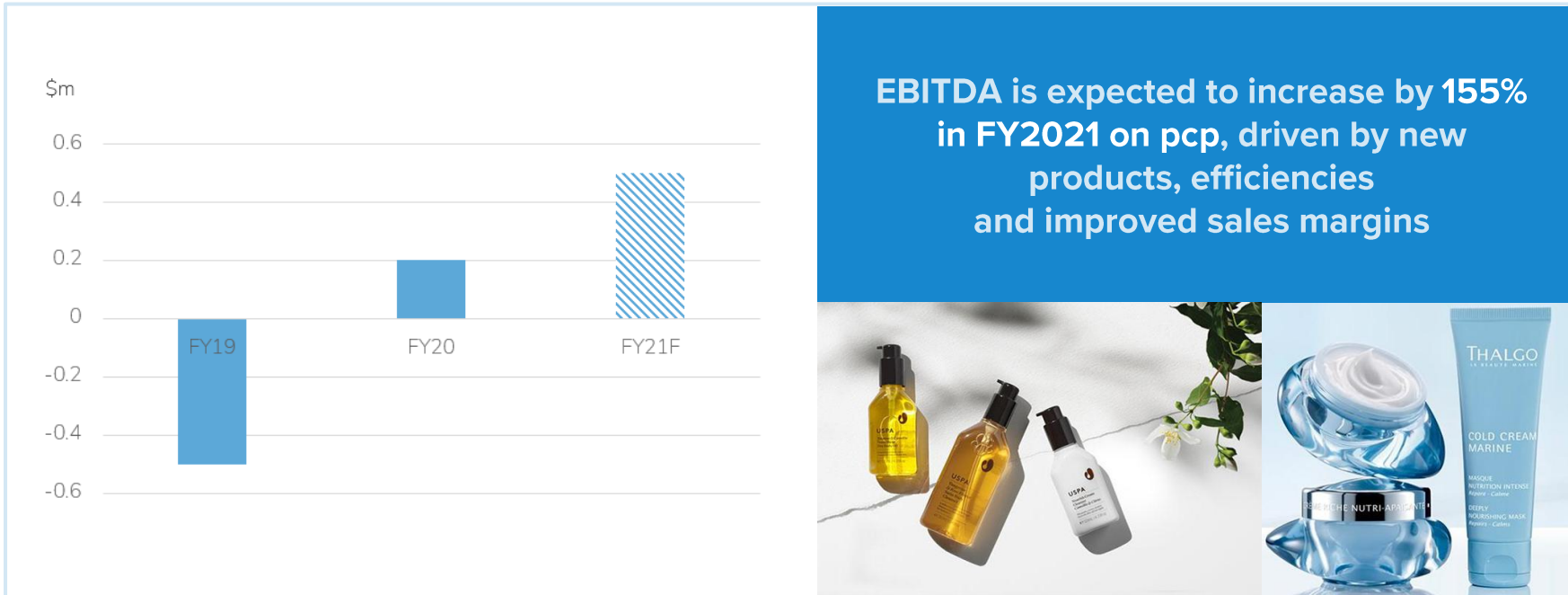


Revenue growth was driven by new brands and increased online sales, despite lockdown impacts during the year

*BLC's financial year ends on 30 September 2021 and forecast revenue and EBITDA include 10 months actual and 2 months forecast numbers. EBITDA is normalised to exclude COVID-19 government assistance.

BLC: Earnings Growth

EBITDA: FY2019 – FY2021F*



*BLC's financial year ends on 30 September 2021 and forecast revenue and EBITDA include 10 months actual and 2 months forecast numbers. EBITDA is normalised to exclude COVID-19 government assistance.

Overview of Cellmid

A health and beauty-tech business growing shareholder value through the global distribution and sales of its proprietary, scientifically validated innovative consumer products in anti-aging and longevity

Addressing the rapidly growing global demand for functional, high performing health and wellness products



Cellmid - Strong Growth Until COVID-19 Disruption

FY2016 / FY2019 - Strong revenue growth

- Expansion of distribution channels across Japan, China, US, Australia, Asia and Europe
- Prestige positioning of évolis® in the US through bricks and mortar stores (Neiman Marcus, Bloomingdales)
- Secured national retail partner, Priceline, in Australia

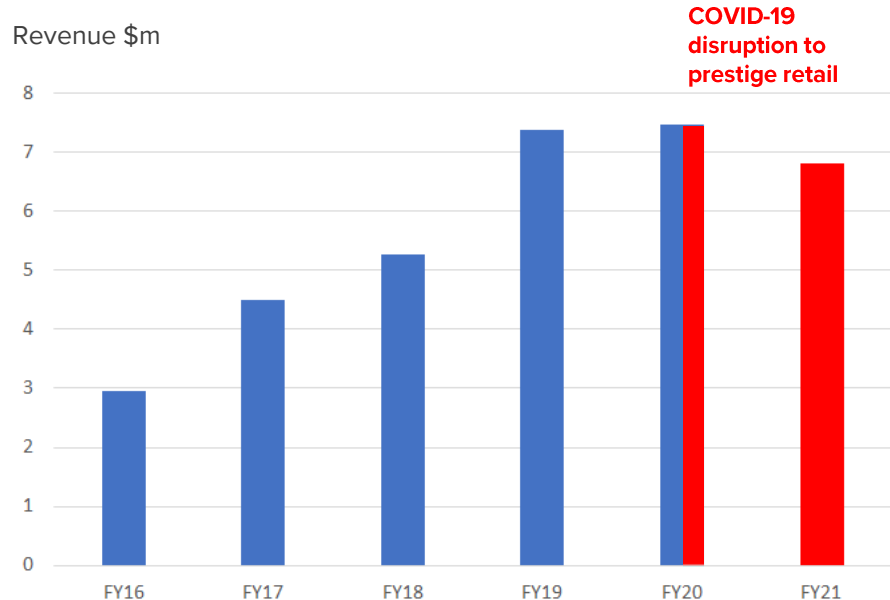
2H FY2020 / FY2021 COVID-19 impact: Focus on building DTC digital capabilities and B2B in China

- Built digital capabilities: user friendly, simple, data enriched platform
- Signed new distribution agreements in China
- Developed and launched new products
- Identified acquisition opportunities for accelerated growth

FY2022 onwards – continue focus on growth

- BLC integration - scale and synergies
- Chinese distribution opportunities (existing and new agreements for AU and Japanese brands)
- Exploit digital platform opportunities – anti-aging marketplace
- New product launches: hair loss and anti-aging supplements, combined hair loss/dry scalp products, skin care
- Building on new brand partnerships – white label

Revenue \$m



Transaction Overview

Cellmid and BLC Cosmetics signed a share sale agreement with HGL to acquire 100% of the shares in BLC Cosmetics Pty Ltd (BLC).

Cellmid may also pay a second tranche, based on an increase in BLC's audited FY2022 organic EBITDA; the second tranche will be calculated as 3 x the incremental EBITDA growth between FY2021 (\$500K) and FY2022

Cellmid will pay \$3M in the first tranche, \$1M in cash and \$2M through the issue of 32,786,885 shares at 6.1cps. This represents a multiple of 6 x BLC's FY2021 normalised EBITDA of \$500K*

The second tranche will also be payable in cash and shares. The first \$700K in cash and the remaining in shares issued at a price which is the lower of 9 cents or the VWAP over the previous 30 days prior to issue

The shares will be subject to approval by CDY shareholders and a 24-month voluntary escrow period

Should there be no growth in BLC's EBITDA in FY2022, there will be no further payment made to HGL

HGL will nominate a Non-Executive Director to the Cellmid Board

The CDY board unanimously support the transaction and between them own 12.6% of CDY's issued shares

*BLC's financial year ends on 30 September 2021 and forecast revenue and EBITDA includes 10 months actual and 2 months forecast numbers. EBITDA is normalised to exclude COVID-19 government assistance.

Strategic Rationale of BLC Acquisition

Acquisition to create an innovative **anti-aging health and beauty tech company with premium brands** with a global distribution footprint and strong sales capabilities into the professional beauty network, DTC and BTB digital platforms

- **Achieve scale in market** with doubling of Cellmid's FY2021 revenue and other income of \$7.3M
- Combined pro forma annualised revenue post merger of **\$13M** as of 30 June 2021, already growing through organic products and channels
- **Revenue growth is expected** from CDY's proprietary brands sold in BLC's professional channels in Australia and New Zealand, particularly as they rebound from a lockdown affected 18 months
- **Revenue growth is expected** from BLC's brands to be made available to Cellmid's customer base
- **New business opportunities** for the merged entity include cross promotion on the combined digital platforms and creation of an exclusive education and advice driven marketplace for anti-aging and longevity brands
- Key areas of synergies likely to deliver **operational savings** include warehousing, shipping, fulfillment and a single ERP system

Combined Pro-forma Profit and Loss Statement as of 30 June 2021

CELLMID LIMITED PROFORMA PNL	CDY FY21 \$	BLC FY21 \$	PF FY21 \$
Revenue	5,816,351	7,485,716	13,302,067
Cost of goods sold	2,112,683	3,798,975	5,911,658
Gross profit	3,703,668 64%	3,686,741 49%	7,390,409 56%
Other income	1,337,988	9,121	1,347,109
Advertising and marketing expense	875,327	337,945	1,213,272
Employee benefits expense	3,501,026	1,865,053	5,366,078
Research and development expense	115,842	-	115,842
Other expenses	3,419,569	960,238	4,379,807
Profit / (loss) before tax	-2,870,108	532,627	-2,337,482
Income tax expense	45,049	165,879	210,928
Profit / (loss) after tax	-2,915,157	366,748	-2,548,410
EBITDA	-2,119,706	704,390	-1,415,316

BLC's financial year end is 30 September whilst CDY's is 30 June. For comparison purposes EBITDA (as presented in the above table) has been normalized and recalculated for the 12 months ending 30 June 2021 (unaudited).

Organic growth:
CDY and BLC are expected to grow organically in FY2022 in addition to the synergies identified

Synergies:
Synergies are expected to result in revenue growth PLUS cost savings improving profitability

Combined result:
The combined entity is expected to reach operational profitability FY2022*

*Internal forecast and subject to COVID-19 impact in the remaining of the FY2022 financial year.

Building Scale: Pro-forma Financial Position*

CELLMID LIMITED PROFORMA FINANCIAL POSITION	CDY	CDY	BLC Pty Ltd	Valuation		CDY PF
	31 August 2021	Adjusted	31 August 2021	Adj.	Eliminations	31 August 2021
	\$	\$	\$	\$	\$	\$
ASSETS						
CURRENT ASSETS						
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
TOTAL CURRENT ASSETS	10,427,274	10,427,274	2,897,502	-83,216	-	13,241,560
NON-CURRENT ASSETS						
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
TOTAL NON-CURRENT ASSETS	2,131,420	7,231,420	333,000	83,216	-2,046,769	5,600,867
TOTAL ASSETS	12,558,694	17,658,694	3,230,502	-	-2,046,769	18,842,427

*Pro forma balances are based on available information as of the date of publishing of this presentation and will be subject to final audit adjustments.

Building Scale: Pro-forma Financial Position*

CELLMID LIMITED PROFORMA FINANCIAL POSITION	CDY	CDY	BLC Pty Ltd	Valuation		CDY PF
	31 August 2021	Adjusted	31 August 2021	Adj.	Eliminations	31 August 2021
	\$	\$	\$	\$	\$	\$
LIABILITIES						
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
TOTAL CURRENT LIABILITIES	1,820,762	1,820,762	1,090,139	-	-	2,910,900
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
TOTAL NON-CURRENT LIABILITIES	843,691	843,691	93,594	-	-	937,285
TOTAL LIABILITIES	2,664,452	2,664,452	1,183,733	-	-	3,848,185
NET ASSETS	9,894,242	14,994,242	2,046,769	-	-2,046,769	14,994,242

*Pro forma balances are based on available information as of the date of publishing of this presentation and will be subject to final audit adjustments.

Growth Opportunities

Expand in China:

Increase market penetration and sales in China through recently signed distribution agreements, cross border e-commerce (CBE), social commerce and import permits for Jo-Ju® and Lexilis®

USA and Australia sales growth:

New e-commerce platforms launched progressively from June 2021, grow recurring revenue, increase sales through existing pureplay e-commerce partners, new products and new brand partnerships

Japanese sales growth:

Increase export of heritage brands from Japan to other Asian markets, increase Japanese sales through e-commerce, through the realigned QVC partnership and new retailers

Synergies post-merger:

Focus on opportunities to drive revenue growth including cross selling into the combined channels

White label:

Opportunities to expand white label offering to partner brands with non-competing product ranges

Anti-aging marketplace:

Expand digital presence to create an exclusive, information and advice driven marketplace for anti-aging beauty and longevity wellness brands

Experienced Board & Management Team



Bruce Gordon | Chairman
Audit, Financial Management, Governance



Dennis Eck | Non-Executive Director
Strategy, Consumer Goods, Governance



Dr Dominic Burg | Chief Operating Officer
Operations, Innovation, Data Analytics, Regulatory,
Team Leadership



Teruko Fujii | Managing Director, Advangen Inc
Global Marketing, Business Development - Asia,
Strategy



Trish Frelan | Global Head of Marketing
Digital Leadership, E-commerce, Marketing,
Branding



Maria Halasz | CEO and Managing Director
Strategy, Leadership, Corporate Finance, Innovation,
Governance



Dr Martin Cross | Non-Executive Director
Marketing, Innovation, Governance



Matthew Dudek | Group Financial Controller
Finance, Management Accounting, Business Process
Improvement



Nikki Somerset | CEO BLC
Business Integration/Optimisation, Global Marketing,
Leadership



Carolyn Heath | BD Director Asia
Global Business Development, Brand Development and
Marketing, Sales Leadership

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 deals:

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

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



Social

- 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



THANK YOU

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