



FY2020 Growth Strategy Update

May 2019

ASX: CDY

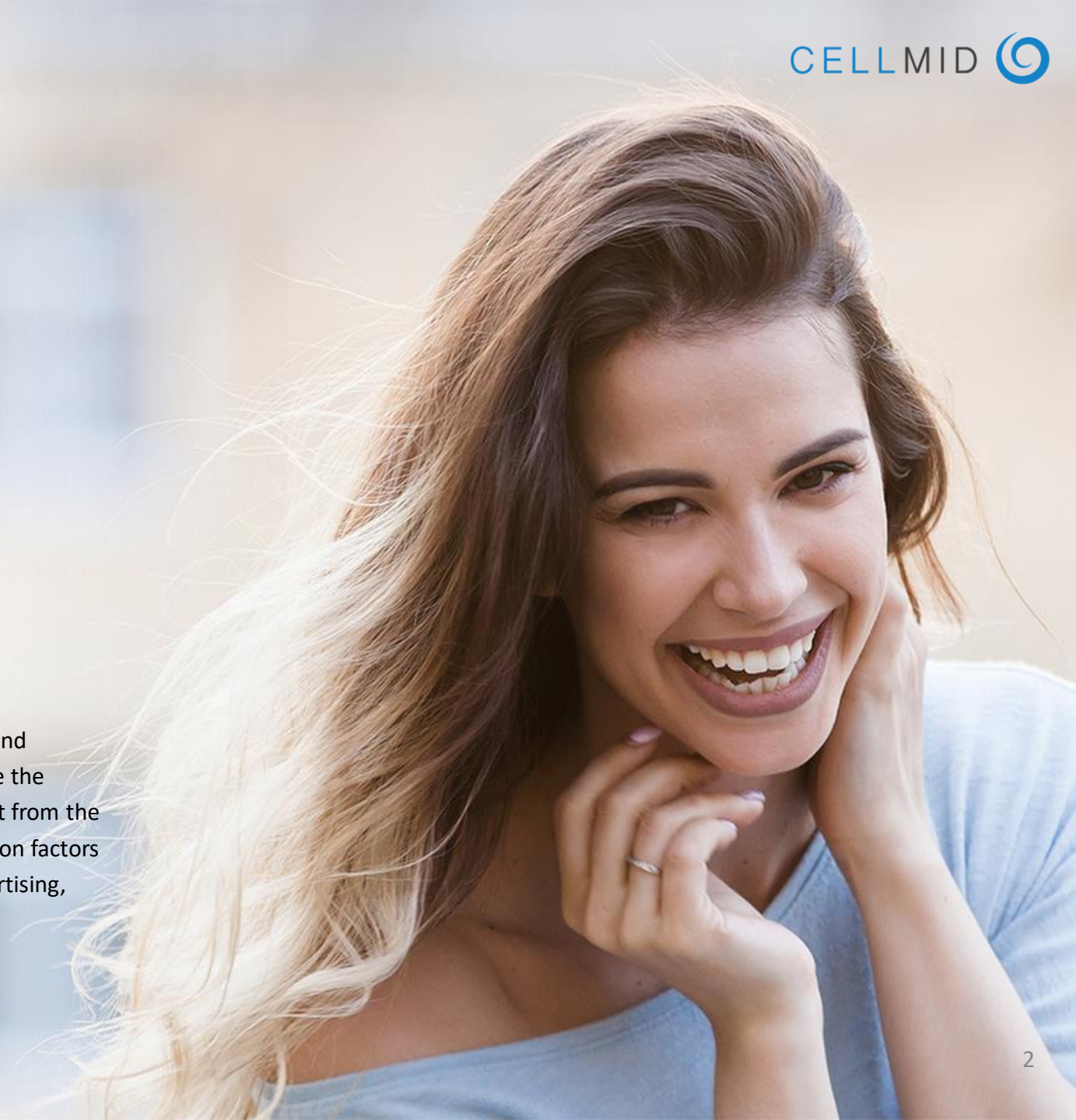


CELLMID

Accelerating sales of clinically proven hair loss products in Japan, the USA, China, Australia, Europe and Asia

Forward looking statements

This presentation contains 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 presentation. Actual results could differ materially depending on factors such as the availability of resources, regulatory environment, the results of advertising, sales activities and competition.








CDY – FOCUS ON GROWING SHAREHOLDER VALUE

- Accelerating sales and effective cost management expected to deliver profitability in FY2020
- Focus on separating consumer health and biotech assets in FY2020 to unlock shareholder value in both businesses
- Strong management team and board are executing on strategy to enter new markets and broaden sales channels
- Extensive IP portfolio for multiple value creating opportunities in the Company's midkine drug portfolio

BEAUTY IS HOT!

- Consumer behavior shifted from big name brands to products with authentic story and strong relationship between the brand and the customer
- The rise of independent beauty brands with strong following – acquisitions and VC investments at all time high and with multiples
- Premium on clean and efficacious beauty products; what is left out is as important as what's in the product
- Several new VC funds globally specializing in beauty – the investment community is paying attention
- The Beauty Unicorn (Glossier, Hims, Calm) is the new phenomenon (1Q 2019 funding rounds)

Company	Sector	VC funding and valuation
	Direct to consumer beauty start-up	Valued at \$1.2B after a \$100m series D funding round led by Sequoia Capital. Glossier generated around \$100m in revenue in 2018, primarily online.*
	American multi-national beauty company (NYSE:COTY) owns 77 brands including MaxFactor, Rimmel, Bourjois, Clairol, CoverGirl	Made six acquisitions over the past five years totaling more than US\$15B
	A provider of natural plant-based haircare and bodycare products	MAV Beauty Brands (TSX:MAV) acquired Rempure in May 2018 for an undisclosed sum
	A New Zealand based provider of premium, natural, anti-aging skincare products	Acquired by Proctor & Gamble in February 2018 for an undisclosed sum
	Natural skincare and sleep solution products	Acquired by Canopy Growth for \$73.8 million, with an estimated \$20 million annual revenue**

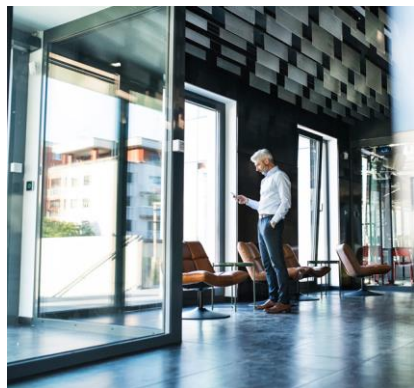
*Beauty Brand Glossier is now a Unicorn <http://fortune.com/2019/03/19/glossier-exceeds-billion-dollar-valuation-with-latest-funding/>

** <https://beautymatter.com/2019/05/canopy-growth-acquires-this-works-for-73-8-million/>

OPERATIONAL UPDATE – MAY 2019

- On track to achieve another record revenue in FY2019
- Q3 sales up 25% on previous corresponding quarter
- Cash balance of \$4.9 million as at 31 March 2019
- Diversified revenue growth across multiple global markets expected to achieve profitability of consumer business in FY2020
 - e-commerce strategy delivering results in Australia, USA
 - Continued expansion into premium US retailers with évolis products now selling in 30 stores in the US and approximately 100 by the end of 2019
 - On track to be selling évolis in e-commerce channels in Japan from mid 2019
 - European import permits obtained and distribution partner confirmed with first sales expected in 1H FY2020
 - Regulatory filings submitted by Fukangren for Chinese import approval with potential for transformative revenue over the next two years

EXECUTING ON STRATEGIC OBJECTIVES



1. Diversify Revenue Growth

Continue to expand market penetration in the US, China, Japan, Australia, NZ, South East Asia and Europe leading to profitability of consumer health business in FY2020

- ✓ Increased US store presence/sales
- ✓ Launched QVC China
- ✓ Gained import permits for Europe
- ✓ Fukangren regulatory application filed
- ✓ Increased sales to NZ
- ✓ Renegotiated Huana Likang agreement for increased sales

2. Expand e-commerce

Strong focus on building brand awareness and unique selling points of évolis to deliver personalised products, build direct relationship with customers and expand digital sales channels

- ✓ New évolis website launched
- ✓ New auto-replenishment and VIP customer system launched
- ✓ E-commerce sales increased 3-fold in Australia in two months
- ✓ Improved customer profiling with new CRM
- ✓ Preparing for e-commerce launch in Japan in July 2019

3. Expand leadership team

Appointed senior team with extensive international experience in branding, marketing and sales in the beauty/health categories, capable of executing sales strategy

- ✓ New AU Sales Director
- ✓ New Global Marketing Director
- ✓ New Group Financial Controller
- ✓ New Lyramid CEO

4. Secure supply chain

Ongoing innovation in products and operations to improve efficiencies in manufacture, shipping and distribution

- ✓ USA manufacturer contracted reducing COGS
- ✓ Reduced packaging costs by buying greater volumes of bottles
- ✓ New mass market product with saving in manufacture and packaging

5. Invest in operational efficiency

Internal program to transition to automated systems with integrated logistics, inventory and accounting management with multi-currency capability

- ✓ Targeting shift to new accounting, logistics and inventory system in 2H FY2020

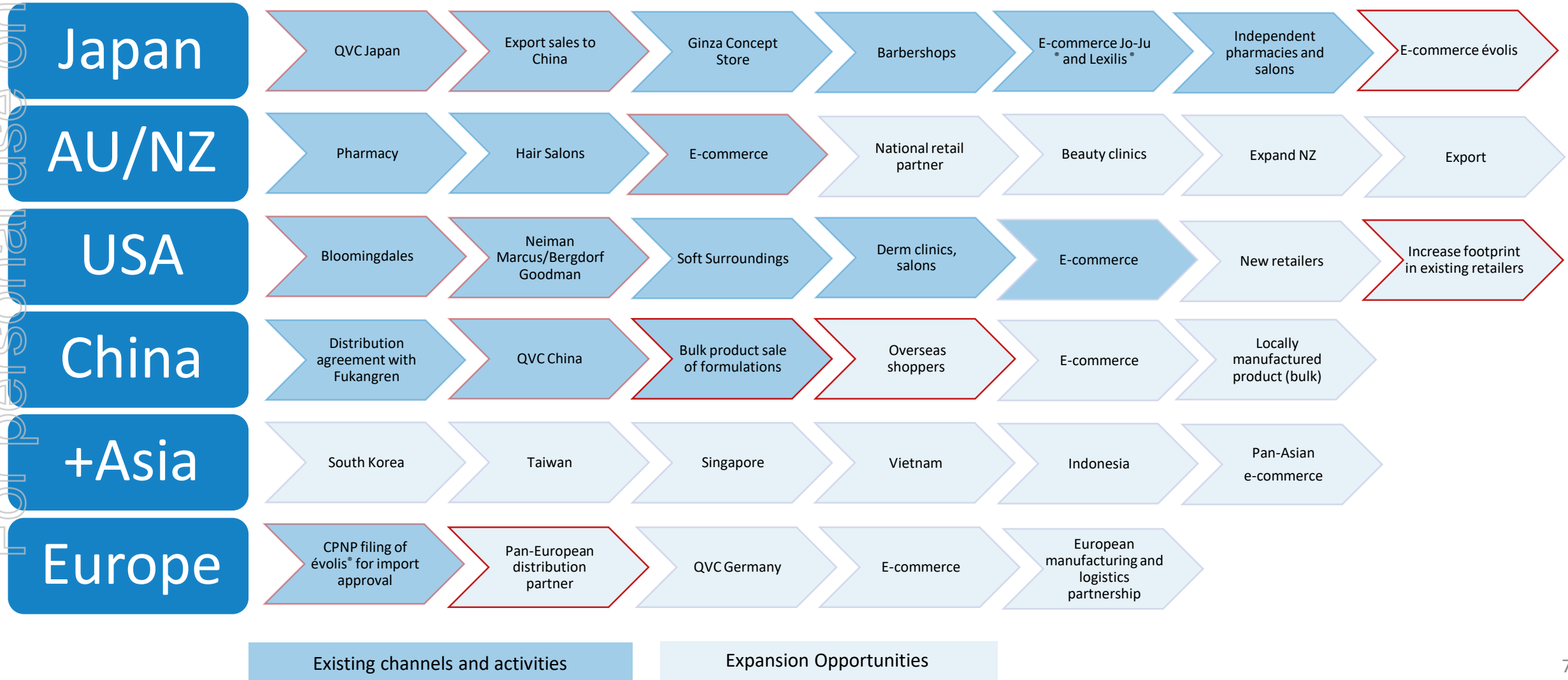
6. Prepare for separation of businesses

Continue to grow consumer business to reach critical size and complete clinical development plan for midkine portfolio in order to separate biotech and consumer health assets

- ✓ New CEO of Lyramid
- ✓ Activated partnering discussions
- ✓ Commenced structural separation of the consumer health and biotech businesses

EXECUTING ON THE DISTRIBUTION PLAN

Red circles indicate development in the particular channel with increased sales; expansion of distribution, growing customers or new channel



STRONG LEADERSHIP TEAM - BOARD

Board with global retail, life sciences and finance experience



Dr David King | Chairman

GOVERNANCE

ENTREPRENEURSHIP

An experienced independent chairman with expertise in high growth companies, David has a track record in building business ventures and developing them into attractive take-over targets.



Maria Halasz | CEO and Managing Director

LIFE SCIENCES

RETAIL

FINANCE

ENTREPRENEURSHIP

With 24+ years in the sector Maria started in corporate finance specialising in life sciences before joining Cellmid eleven years ago as CEO. Maria led the acquisition of the company's current portfolio of midkine and FGF5 inhibitor assets.



Dennis Eck | Non-Executive Director

RETAIL

FINANCE

ENTREPRENEURSHIP

Dennis has 40 years' senior management experience in the retail sector leading the strategic direction of companies such as American Stores, Vons and ULTA in the United States and Coles Myer in Australia.



Bruce Gordon | Non-Executive Director

CORPORATE FINANCE

GOVERNANCE

Bruce is a seasoned audit partner and corporate finance specialist with over 35 years' industry experience. Bruce brings significant expertise in valuations, mergers and acquisitions, restructuring and transaction support.



Dr Martin Cross | Non-Executive Director

LIFE SCIENCES

MARKETING

Martin is a highly regarded pharmaceutical executive with over 30 years' experience in industry leadership roles as Chairman of Medicines Australia, Country Head and Managing Director of Novartis Australia and Managing Director of Alphapharm.



Dr Fintan Walton | Non-Executive Director

LIFE SCIENCES

CORPORATE FINANCE

Fintan has over 33 years experience in the global pharmaceutical and biotechnology sectors and is the founder and CEO of PharmaVentures Ltd, a leading UK based corporate advisory firm.

STRONG LEADERSHIP TEAM - EXECUTIVE

Executive team with global marketing, sales, life sciences and finance experience



Ko Koike | Managing Director, Advangen Inc

BUSINESS DEVELOPMENT

STRATEGY

With over 27 years of experience working in cross border business development roles for a number of Australian and Japanese healthcare companies Ko brings strong strategic and corporate development skills to Advangen.



Raj Ghatge* | Marketing Director

BRAND BUILDING

E-COMMERCE

Raj has over 25 years experience in branding and marketing in the beauty and hair care industries internationally, working with industry leaders such as L'Oreal. He has built and taken several brands through significant growth. He specializes in e-commerce.



Gary McCaw* | Sales Director

SALES LEADERSHIP

PHARMACY / RETAIL

Gary has 30 years experience in sales, most of this in pharmacy sales in Australia. He is a well respected sales leader and educator focused on people development and growth. Gary is a highly skilled negotiator and has managed key accounts and national teams for major pharmaceutical companies such as Alphapharm .



Jason Lynch* | Financial Controller

ACCOUNTING

FINANCE

Jason has over 10 years experience in international finance and accounting, working for a global consulting firm in Singapore and Shanghai. He is a proven business partner to C-level executives, with a strong technical background and track record in building, developing and leading finance teams across the Asia Pacific region to support growing businesses.



Dr Graham Robertson | Head of R&D

LIFE SCIENCES

R&D

Graham is an accomplished scientist and researcher with a career spanning four decades. Graham has a thorough knowledge and understanding of biological and pathophysiological processes incorporating both clinical studies and diverse experimental approaches. He has published ~60 papers with >3,000 citations and is an acknowledged expert on midkine.



Dr Dominic Burg | Director of Operations

DATA ANALYTICS

REGULATORY

LIFE SCIENCES

Dominic is an experienced scientist and an accomplished science communicator with a background in large multi-national projects in translational medicine. Dominic has successfully transitioned his analytical and operational skillset towards directing the logistics, manufacture and regulatory affairs of Cellmid.

* Hired in FY 2019

TWO SUCCESSFUL COMPANIES IN TWO YEARS

PROFITABLE CONSUMER HEALTH ASSETS

évolis[®]

Anti-aging functional cosmetics and consumer health products for hair, face and wellbeing. All products are branded

CLINICAL DEVELOPMENT PARTNER FOR MIDKINE ASSETS

Midkine antibodies for the treatment of myocarditis, cancer, fibrosis, chronic kidney disease and associated conditions

MAXIMISE VALUE OF MIDKINE ASSETS

Essential new data in areas including immunotherapy, myocarditis and inflammatory disorders has opened up new clinical opportunities for further testing of Cellmid's midkine assets

- Strong clinical need – improve safety of checkpoint inhibitors
- ICI induced myocarditis – opportunity for orphan drug application
- The FDA normally gives accelerated review for programs that address urgent medical need
- FDA focus on safety of check point inhibitors opens possibility of midkine as a co-therapy



The midkine assets are currently being packaged with a view to secure clinical development partners or dedicated funding into Lynamid

- Finalise clinical development plan
- Data driven clinical program including disease indication, drug selection, manufacture and clinical trial costs
- Currently partnering with world leading institutions and researchers in this field to complete package
- Direct cost to Cellmid at <\$500K per year, leading to large ROI potential

PRECLINICAL EFFICACY STUDIES WILL LEAD TO CLINICAL PROGRAM

Current Midkine Projects	Outcomes assessed
Cancer Immunology + Melanoma Metastasis (University of Texas South Western)	Tumour growth, metastasis, immune cell phenotyping, synergy with ICIs
Cancer Immunology + Melanoma Metastasis (Undisclosed Collaborators)	Tumour growth, metastasis, lymphangiogenesis, immune cell phenotyping, synergy with ICIs
Checkpoint Inhibitors in myocarditis (Ludwig Maximilian University Munich)	ICI-myocarditis model; prevention of myocarditis (reduction of inflammation and fibrosis; improve cardiac function)
Multiple myeloma, bone and kidney Post-menopausal osteoporosis (Undisclosed Collaborators)	Prevention of bone loss and lesions, reduction of myeloma markers and prevention of osteoporosis

PREPARING FOR PARTNERING

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2019

- Pre-clinical evidence in multiple indications
- Mechanism of action elucidated in select indications
- Several drug candidates
- Layers of IP protection in multiple indications
- Non-GMP drug manufactured

Preclinical programs to be completed

Lead drug candidate to be selected/manufacturing scoped

Cost to early clinical efficacy to be scoped

Limited spending to reach significant potential ROI

Clinical need versus cost to efficacy evidence to be assessed

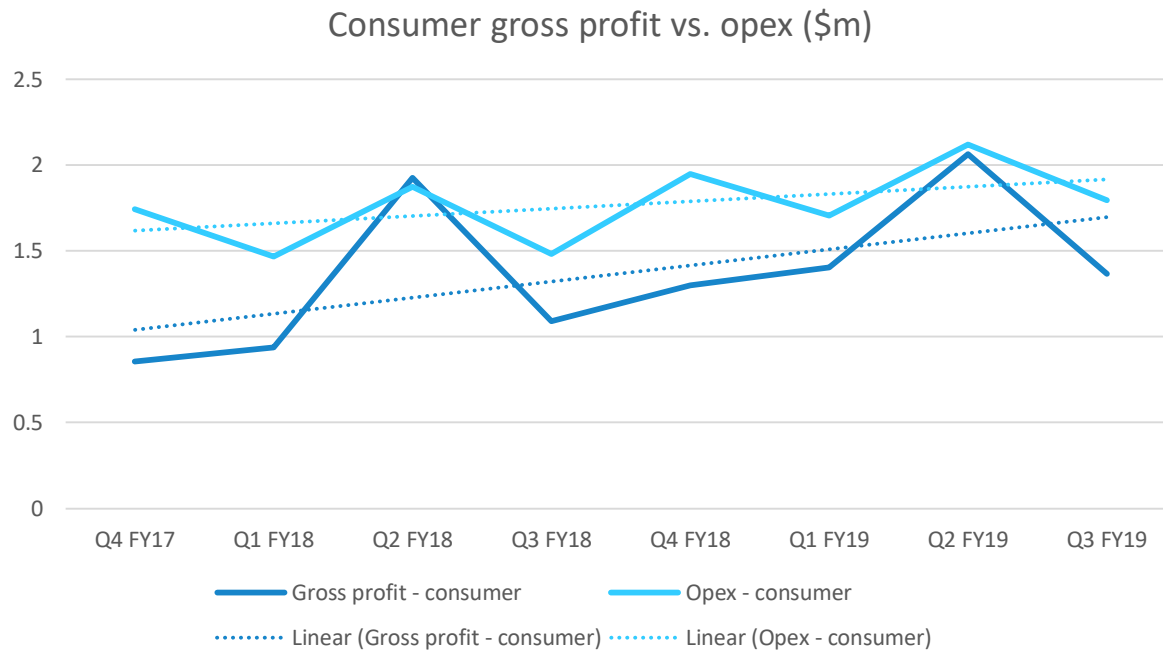
Optimum clinical trial design developed

Competitive landscape reviewed

2020

- Lead drug selected from humanised anti-MK antibody candidates
- Cell line development and GMP manufacturing scoped
- Pre-clinical efficacy studies completed
- Clinical development program finalised

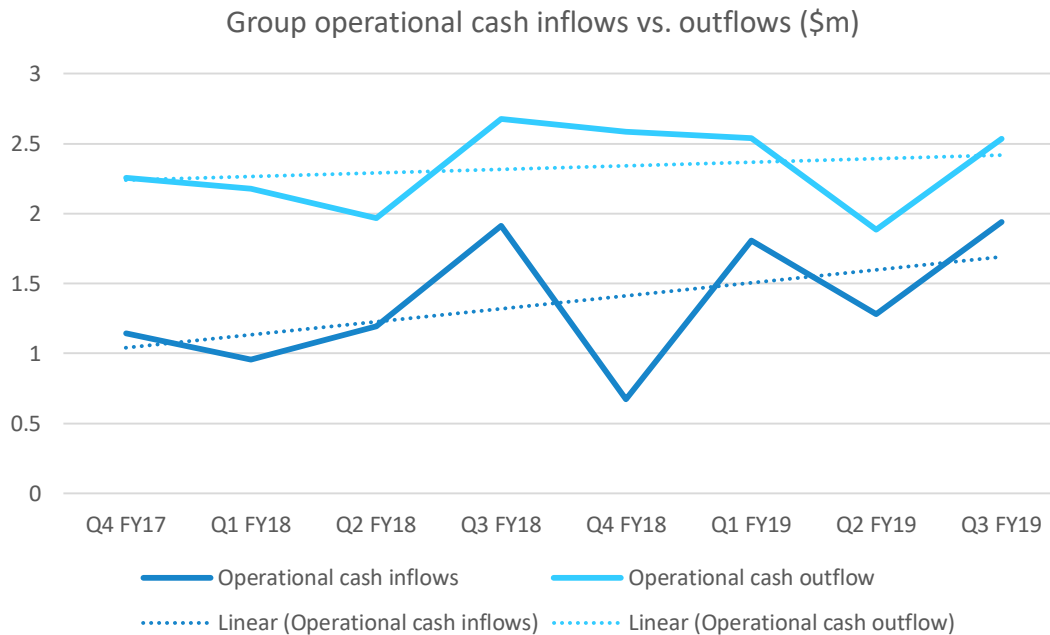
FINANCIAL METRICS – GROSS PROFIT vs OPEX



GROSS PROFIT vs OPEX IN CONSUMER HEALTH

- As gross profit continues to increase and operational expenses remain largely stable, there is a solid trend towards overall profitability
- In FY2020, we expect the consumer health business to be profitable overall, with a number of profitable months throughout FY2020

FINANCIAL METRICS – CASH INFLOW vs OUTFLOW



CASH INFLOW vs CASH OUTFLOW IN CONSUMER HEALTH

- Cashflows vary in line with cyclicalities in revenue
- Cash outflows from ordinary activities remained stable over the past two years whilst cash inflows show a rising trend
- We expect these trends to continue in FY2020 and become cashflow positive

UPCOMING NEWSFLOW

- Distribution agreements in new territories
- Expansion of e-commerce in all key markets
- European distribution partner sales to commence
- Fukangren regulatory approval and sales to commence
- Chinese distribution of heritage brands to expand
- Orphan drug application progress
- Progress on midkine partnership/funding