

ASX ANNOUNCEMENT

CELLMID EXPECTS RECORD SALES IN Q2 FY2019

- Sales event on TV shopping channel QVC generated approx. \$1.1 million in wholesale revenue for Cellmid on 30 November 2018
- This result was achieved with new packaging with up to 10% higher margins
- Cellmid's sales for 2Q 2019 are expected to reach a record \$2.2 million

SYDNEY, Wednesday, 12 December 2018: Cellmid Limited (ASX: CDY) is pleased to advise that its scheduled sales event on Japanese television shopping channel, QVC, delivered sales revenue of approximately \$1.1 million for the Company, wholesale.

With retail sales exceeding \$2.2 million Cellmid's Jo-Ju® branded Japanese hair growth products have proven to be one of the most successful cosmetics ever on the Japanese television shopping channel.

Importantly, the Company has recently changed packaging for the Jo-Ju® lotions from glass to plastic bottles. As a result, net profit margins are expected to increase by around 10%, whilst manufacturing time reduced from seven months to as little as three months. This in turn will allow better utilisation of working capital.

Sales for the quarter are expected to be at a record \$2.2 million, subject to exchange rate variations between the US and Australian dollar and the Japanese yen.

Major sales events, such as those on QVC in Japan, currently represent material components of sales revenue, resulting in significant fluctuations in quarterly sales. The Company has been working towards setting up distribution in channels that deliver more even monthly sales. Furthermore, the Company has been actively building distribution in other channels and geographies to reduce reliance on sales from TV shopping.

Rolling out the Company's évolis® Professional products in the US in 2019 in premium retail outlets is one way to achieve more even monthly and quarterly sales. Furthermore, regular monthly orders by Cellmid's Chinese distribution partner, Fukangren, are expected to commence during the first quarter of FY2020.

"With around 50,000 QVC customers, a large number of them regulars, we have a strong following for our Jo-Ju® products in Japan" said Cellmid CEO, Maria Halasz. "We intend to build on this to maximise the potential for our recently launched évolis® products in multiple sales channels in Japan" she added.

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Cellmid Limited (ASX: CDY)

Cellmid is an Australian life sciences company with a consumer health business and biotech assets.

Advangen is Cellmid's wholly owned subsidiary engaged in the development and sale of first in class, best in class, clinically validated anti-aging products for hair, skin and body. Advangen has a range of FGF5 inhibitor hair growth products which are sold in Australia, Japan, USA and China. Advangen has a rich portfolio of hair growth and anti-aging hair care assets which include formulations of products on market, trademarks, patents and patent applications, proprietary assays and manufacturing processes. For further information, please see www.cellmid.com.au and www.myevolis.com.au.

Cellmid also has two wholly owned subsidiaries, Lynamid and Kinera, which develop innovative novel therapies and diagnostic tests for fibrotic diseases, cancer and ischemic diseases of the heart. Cellmid holds the largest and most comprehensive portfolio of intellectual property relating to the novel targets midkine (MK) globally.

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.