

## ASX ANNOUNCEMENT

### MIDKINE STRATEGY UPDATE

- **Strategic milestones on midkine clinical and corporate development**
- **Cellmid establishes Lynamid to develop midkine antibody assets**
- **Cellmid establishes Kinera to develop midkine protein assets**

**SYDNEY, Friday, 8 April 2016: Cellmid Limited (ASX: CDY)** is pleased to advise that in preparation for implementing its clinical development plan it has set up dedicated subsidiaries, Lynamid Limited and Kinera Limited, for the commercialisation of its MK antibody and protein assets, respectively.

Lynamid, a wholly owned subsidiary of Cellmid, has been set up to develop the Company's large MK antibody portfolio, assessing likely therapeutic indications in fibrotic diseases and cancer. Kinera, also wholly owned by Cellmid, has been formed to commercialise the Company's MK protein assets in ischemic diseases, with a focus on chronic heart disease.

These dedicated companies have been set up to enable Cellmid to fund its clinical programs through a transparent and investor friendly corporate structure and have the following advantages:

- The dedicated subsidiaries have clear therapeutic product development focus, which can be attractive to investors who may only want to fund drug development programs in specific diseases;
- The subsidiaries have identifiable cost centres and budgets improving transparency through the group;
- As unlisted public companies these subsidiaries are able to receive venture capital, government or private investment unlike Cellmid, which is excluded from many of these funding sources by virtue of its shares being listed;
- Dedicated funding into these subsidiaries will limit dilution while allowing holders of listed shares to benefit from the upside in these projects;

Cellmid acquired the MK portfolio in 2008 as the quality of science and the large number of product development opportunities represented unparalleled value. The asset portfolio has delivered great value to shareholders already with early licenses, some of which started to show significant revenue.

Since the acquisition the MK intellectual property has been developed and achieved significant efficacy, safety and manufacturing milestones as both the antibody and protein programs are nearing clinical development.

Cellmid currently owns 79 patents and patent applications in 20 patent families relating to MK. This places the Company in an exciting position of owning the most significant intellectual property (IP) assets globally around this emerging and increasingly recognised therapeutic target.

A recent comprehensive strategic review of the MK IP led by Cellmid's Chair of Scientific Advisory Committee, Dr Bryce Vissel, has narrowed the key therapeutic opportunities to three areas, fibrosis, cancer and chronic heart disease, which are expected to be best commercialised through the new corporate structure.

“The company has a well-considered research strategy underpinned by international efforts by excellent scientists. There is strong scientific merit and therapeutic opportunities for Cellmid’s midkine asset portfolio” said Dr Vissel. “We have been able to evaluate the vast data generated by the Company and its collaborators, and are very close to finalising the clinical development plans for both Lynamid and Kinera” he added.

A large number of the MK protein and MK antibody studies have been conducted by members of the international research community built through Cellmid’s biannual Midkine Symposia or collaborations set up as a result of it. We expect that the upcoming Midkine Symposium in Budapest will round up the scientific work and likely to contribute to a sharper focus for our therapeutic programs.

The Company believes that having such focused, transparent and user friendly corporate and operational structure will accelerate the delivery of investor value from its exciting MK asset portfolio. It also enables the Company in the event that its subsidiaries, including Cellmid’s wholly owned consumer health business Advangen, are ready for corporate transactions.

An interview with Cellmid CEO Maria Halasz by Redchip, a small cap focused investor relations group, can be viewed on their website.

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### **Cellmid Limited (ASX: CDY)**

Cellmid is an Australian life sciences company with lead programs in multiple disease indications. The Company is developing 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 target midkine (MK) and MK antagonists globally. For further information please see [www.cellmid.com.au](http://www.cellmid.com.au) and [www.evolisproducts.com.au](http://www.evolisproducts.com.au).

### **Midkine (MK)**

MK is a growth factor that is highly expressed during embryonic development. Midkine modulates many important biological interactions such as cell growth, cell migration and cellular adherence. These functions are relevant to cancer, inflammation, autoimmunity, ischemia, nerve growth/repair and wound healing. Midkine is highly anti-apoptotic and cell protectant. It is this mechanism of action that is thought to be responsible for MK’s ability to prevent myocardial damage during ischemic events in the heart.

### **Advangen Limited and hair growth products**

Advangen Limited is Cellmid’s wholly owned subsidiary engaged in the development and sale of anti-aging hair care products. Advangen has a range of FGF5 inhibitor hair growth products which are sold in Australia, Japan, China and Taiwan. Concurrently, Advangen has been developing MK, a growth factor, for hair loss utilising its anti-apoptotic effects. 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.