

Cellmid Ltd

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Cellmid Ltd: New research shows midkine antibody restores bone loss

Cellmid Ltd (ASX:CDY) has received positive research for its midkine (MK) antibodies and their use in fracture healing in an animal model of osteoporosis.

Cellmid holds the largest and most comprehensive portfolio of intellectual property relating to the MK and FGF5 globally.

MK modulates many important biological interactions such as cell growth, cell migration and cellular adherence, which is relevant to cancer, inflammation, autoimmunity, ischemia, nerve growth/repair and wound healing.

The study was conducted and published by Cellmid collaborators at the University Medical Centre in Ulm, Germany.

The current findings demonstrate that MK antibodies were effective in accelerating bone healing in osteoporotic settings.

This means the MK antibodies have potential to be developed for a clinically validated therapeutic strategy.

Background

Cellmid has two business segments, consumer health and its MK portfolio.

Cellmid holds the largest and most comprehensive portfolio of intellectual property relating to the MK and FGF5 globally.

Cellmid's consumer health division currently sells hair growth products in Japan and Australia, which were developed using FGF5 related intellectual property.

Cellmid aims to follow in the footsteps of FGF5 by commercialising its MK portfolio.

Cellmid has recently set up dedicated subsidiaries, Lynamid Limited and Kinera Limited as part of its clinical development plan to commercialise its MK antibody assets.

FY16 unaudited results

The Consumer Health business segment delivered FY16 results of \$3.1 million in sales and revenue.

Japan contributed \$2.3 million, which means the company delivered on its previously stated target of \$2 million in sales from Japan.

Price: A\$0.5

Market Cap: A\$28.46M

1 Year Share Price Graph



Share Information

Code: CDY

Listing: ASX

52 week High Low
0.8p 0.35p

Sector: Pharma & Biotech

Website: www.cellmid.com.au

Company Synopsis:

Cellmid Ltd (ASX:CDY) is listed on the Australian Securities Exchange.

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Cellmid enters U.S. market

Cellmid has entered into a distribution partnership with Colour Collective in the U.S. for the launch of Cellmid's Advangen evolis® hair growth products.

This provides Cellmid with an accelerated, direct route to U.S. sales channels that have proven successful in Australia and Japan.

The U.S. is the biggest single market for hair loss treatments with combined sales of circa US\$3.5 billion annually.

U.S. sales will commence in 2016 through e-commerce channels with distribution to high-end retail and other direct to consumer opportunities to follow.

U.S. opportunity with women

The US\$3.5 billion U.S. market is comprised 57.7% of minoxidil based products, which cater mostly for men.

Cellmid's evolis® range is formulated for both men and women.

This is particularly important as almost half of those suffering from hair loss are women without a safe and effective treatment alternative.

Analysis

Development of Cellmid's MK portfolio has the potential to be a high value catalyst for the company.

These study results show that the portfolio has the opportunity to generate value for the company through partnerships and external investment.

With a market cap of circa \$30 million Cellmid is generating over \$3 million in revenue which is growing annually at over 70%.

Major value inflection points such as U.S, European and Chinese sales are expected to begin over the short to medium term.

Cellmid's most likely news flow will be coming from overseas markets such as the U.S.

There is also major research, regulatory and product development milestones expected in China and Europe over the coming months.

Regarding drug development, the company is in the final stages of getting Lynamid and Kinera, the MK subsidiaries, ready for clinical development.

The stock is up 40% over the past three months, currently trading at \$0.031.

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