

**ASX ANNOUNCEMENT**

**CELLMID SECURES \$1,000,000 LOAN FUNDING**

**SYDNEY, Friday, 15 May 2015: Cellmid Limited (ASX: CDY)** is pleased to advise that it has entered into an R&D advance loan agreement with Platinum Road to receive \$1,000,000 funding. Together with the company's existing resources the loan will allow Cellmid to accelerate its successful launch campaign of its évolis® hair growth products and proceed with the toxicology component of its preclinical anti-midkine antibody program.

The loan agreement is secured and it is for a period of eight months from commencement (the Company's R&D tax credit is expected in November 2015). During the period of the loan the lenders have the right to require Cellmid to issue new ordinary fully paid shares at 3.4 cents per share to reduce the principal amount. The maximum number of shares that may be issued in respect of the principal amount is 29,411,765.

Interest will be accrued monthly at an annual rate of 15% with a maximum interest liability of \$100,000 during the course of the loan. The lenders have the right to require Cellmid to issue fully paid ordinary shares in lieu of payment of the accrued interest at 2.3 cents per share during the course of the loan. The maximum number of shares that may be issued in respect of the interest is 4,347,826.

In the event the lenders elect to receive shares (at 3.4 cents per share for the principal loan amount and/or 2.3 cents per share for the interest), the shares so issued will rank equally in all respects with existing ordinary shares and will fall within Cellmid's 15% placement capacity under Listing Rule 7.1.

Due to the Company's expansion of the pharmacy distribution in Australia, and its Japanese growth, Cellmid anticipates significant increase in sales in 4Q FY2015 and beyond. Some of the details of the expansion have been provided in the operational update released to the market on 29 April 2015 and include:

- An increase in pharmacy distribution from 230 actively ordering stores to approximately 1,500 by the end of 4Q FY2015 and 2,000 by the end of C2015.
- Larger product range with four new products within the évolis® range; shampoos and 'Active Packs' for men and women and increased shelf space from 70mm to 480mm in most stores.
- A general practitioner (GP) sales force of 18 professional product representatives which is expected to make close to 25,000 personal calls in the first twelve months and contract pharmacy sales force of eight representatives.
- A national advertising campaign is planned with one of the major agencies producing a media program.
- Cellmid's Japanese distribution continues to improve and is expected to deliver strong sales in 4Q FY2015.

End

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**Cellmid Limited (ASX: CDY)**

Cellmid is an Australian biotechnology company with lead drug candidates in oncology. The Company is developing innovative novel therapies and diagnostic tests for a number of cancer indications, in particular solid tumours. Cellmid holds the largest and most comprehensive portfolio of intellectual property related to the novel oncology target midkine and midkine antagonists globally. The Company's most advanced development programmes involve using its anti-midkine antibodies in addition to commercialising midkine as a biomarker for the early diagnosis and prognosis of cancer. For further information please see [www.cellmid.com.au](http://www.cellmid.com.au).

**FGF-5 inhibitor hair growth products**

The Company launched a range of FGF5 inhibitor hair growth products on the market in 2012 under license and acquired the owner of the technology, Advangen Inc. (Japan) in May 2013. Assets relating to Cellmid's FGF5 inhibitor hair growth products are held in the Company's wholly owned subsidiary, Advangen Limited. Cellmid has been actively building its distribution in Australia, Japan and in other major markets.

**Investment in biotechnology companies**

There are a number of inherent risks associated with the research, development and commercialisation of pharmaceutical products. Investment in companies specialising in these activities carry specific risks which are different to those associated with trading and manufacturing businesses. As such, these companies should be regarded as highly speculative. Cellmid recommends that investors seek professional advice before making an investment in its shares.