ASX ANNOUNCEMENT

CELLMID'S HUMANISED MIDKINE ANTIBODY DRUG IS SAFE IN TOXICOLOGY STUDIES

- *Cellmid's first in class midkine antibody drug, CAB102, showed no dose limiting toxicities in formal safety and toxicology study*

- *Study opens path to the clinic for Cellmid's antibody program as midkine is de-risked as a therapeutic target*

SYDNEY, 15 June 2015: Cellmid Limited (ASX: CDY) has completed the first ever formal pre-clinical toxicology studies for an anti-midkine (MK) therapeutic molecule, with no mortalities, morbidities, dose limiting toxicities or organ damage evident in any treated animal at any dose.

Cellmid engaged a leading US pre-clinical contract research organization to conduct two studies using its humanized lead anti-MK antibody, CAB102. The studies were performed in rats and non-human primates (cynomolgus macaques). Importantly, the endogenous MK of both species has identical CAB102-binding properties as human MK. As such, doses of CAB102 given to these species should recognize and interact with any MK in a way that is analogous to human dosing.

Single doses of CAB102 were administered by intravenous infusion at 3 dose levels, 10, 50 or 100mg/kg. Animals were monitored for 14 days post-dose for clinical observations, morbidities, weight changes, clinical chemistries and blood cell counts. At study end necropsies were performed with all major organs examined for gross abnormalities. Histological specimens were also collected for further investigation in case of any irregularities.

CAB102 was well tolerated at all dose levels in both species. The only notable observation was a slight and transient decrease in red blood cells and increases in bilirubin in the cynomolgus macaques. No such effect was seen in the rats. Necropsies confirmed that there have been no CAB102-induced abnormalities or changes to organs of the treated animals.

Even at a very high dose of 100 mg/kg, which is up to 10 times higher than the anticipated maximum dose for humans, there have been no adverse effects seen. This is significant as Cellmid purposely designed CAB102 to interact identically with the MK of other species as it does to human MK. Therefore, when CAB102 is given to rats and cynomolgus macaques, it should recognise and neutralise these species' own MK in a similar manner to that in humans.

"The lack of dose limiting toxicities in these studies is heartening for our CAB102 clinical plans," said Cellmid Head of Product Development Darren Jones. "These studies are the first ever to formally show that a well-designed MK-specific molecule has no deleterious side effects" he added.

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"There has been much discussion about the safety of targeting midkine for therapeutic purposes. A clean toxicology result for CAB102 not only increases our confidence in CAB102 itself being a safe molecule, but also suggests that MK as a target is druggable without triggering significant side-effects" said CEO of Cellmid, Maria Halasz.

As a final step towards gaining regulatory approval for clinical studies, further toxicology and safety studies will now be performed using multiple doses of CAB102 in rats and cynomolgus macaques.

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Cellmid Limited (ASX: CDY)
Cellmid is a revenue stage Australian biotechnology company with a strong product pipeline. The Company generates revenue through its consumer health business and is also developing innovative novel therapies and diagnostic tests for a number of cancer inflammatory indications. Cellmid holds the largest and most comprehensive portfolio of intellectual property related to the novel 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.

Midkine (MK)
Midkine 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 barely detectable in healthy adults and only occurs as a consequence of the pathogenesis of a number of different disorders. Midkine expression is often evident very early in disease onset, even before any apparent physical symptoms. Accordingly, midkine is an important early marker for diagnosing cancers and autoimmune diseases. Finally, midkine is only present in a disease context, and targeting midkine is not expected to harm normal healthy tissues.

Investment in life sciences 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.