

ASX ANNOUNCEMENT

CELLMID TO REFINANCE R&D LOAN FACILITY

SYDNEY, Friday, 26 February 2016: Cellmid Limited (ASX: CDY) is pleased to advise that it has refinanced the R&D loan agreement originally entered into with Platinum Road on 15 May 2015. The original \$1,000,000 loan facility and interest was repaid by a new \$700,000 loan and cash.

Together with the Company's existing cash reserves the funds will be used to continue the development of the CAB102 midkine (MK) antibody program and invest into the international distribution opportunities for the évolis® product range.

The \$700,000 loan facility has been secured for a period of 12 months on the same terms as the previous one. Interest will be accrued at an annual rate of 15% with the lenders having 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 after principal is converted at 3.4 cents per share. The maximum number of shares that may be issued in respect of the interest is 4,565,217.

The refinanced loan is secured against the Company's R&D tax credit and it is for a period of twelve months from commencement (the Company's R&D tax credit is expected in November 2016). 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 20,588,235.

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.

With the Company's expansion in both the pharmacy and salon markets in Australia, the continued growth in Japan, and with the planned drive into major international markets Cellmid anticipates significant increase in sales in FY2016 and beyond.

Cellmid held an investor broadcast on 25 February 2016 and provided an overview of the Company's progress and future plans as follows:

- An increase of 108% in revenue across the Consumer Health Division at over \$1.2 million for H1 FY2016 compared with the same period last year (FY2015: \$582K).
- Completion of the brand building activities and commencement of the advertising campaign to drive customer traffic to pharmacies in Australia.
- Planned launch of the évolis® Professional range in Australia, which has 13 products for salons, in June 2016.
- Cellmid's Japanese sales continued to strengthen at \$949K, a 133% increase from the same period in the previous year (2015: \$407K).
- évolis® concept store in Tokyo planned to open in late CY2016. Other Japanese retail opportunities are expected to start from the last quarter on FY2016.

- Expansion into the USA is well advanced and in the process of securing distribution partnerships before the end of FY2016.
- US évolis® product range completed based on the évolis® ONE formulation, which is subject to our recent patent application.
- Multiple distribution opportunities are explored in China for the Australian manufactured évolis® and Japanese manufactured Jo-Ju® brands.
- All trade mark registration applications and requisite regulatory work filed in the US and China.

It is anticipated that the full transcript of the investor briefing will be released to the market on Monday, 29 February 2016.

End

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Cellmid Limited (ASX: CDY)

Cellmid is an Australian life sciences company with lead programmes in multiple disease indications. The Company is developing innovative novel therapies and diagnostic tests for cancer and inflammatory diseases. Through its wholly owned subsidiaries, Advangen Limited and Advangen Inc., Cellmid also develops and sells FGF5 inhibitor hair loss products. 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 and www.evolisproducts.com.au.

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 midkine, 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.

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 highly anti-apoptotic protecting cells from dying. It is this mechanism of action that is thought to be responsible for midkine's ability to regenerate hair growth in various models of the condition.