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Combing the market for a hair treatment

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BIOTECHNOLOGY

María Halasz is a chief executive who can relate first-hand to the customers of her revenue-driving hair loss product.

At the age of 40, the head of junior biotech company Cellmid suffered from hair loss but managed to uncover a product in Japan that strengthened her hair follicles — so she bought the product's manufacturer.

The purchase of Evolis wasn't simple but it gave Ms Halasz a revenue stream that has backed Cellmid's drug development program for chronic kidney disease and heart disease.

Ms Halasz joined Australian-listed Cellmid more than nine years ago when it was "in a poor state".

"When I came on board I knew the technology it was developing had essentially failed, but we had to do that last experiment to show the technology would not work," she said.

"That was a challenging period; markets don't like failures."

In the first 18 months of Ms Halasz taking the top role, she renegotiated the company's debt, cleaned up its capital structure, cleaned up the company — including a transition at board level — and changed its technology focus.

To mitigate the risk of developing a new asset, Ms Halasz said she acquired an early-stage asset that had multiple potential drug opportunities built into it. To further lower the risk profile, she sourced a revenue-generating asset — the hair-loss product.

Ms Halasz said she was looking for new technologies for the company when she found the novel hair-loss product in Japan.

She originally attempted to buy the hair-loss company in 2011



HOLLIE ADAMS

María Halasz at Cellmid's Sydney office. 'We are closing more than \$2 million of sales in Japan'

but said it was too expensive then. But after trialling the products for her own hair-loss issue, she struck a licence deal to distribute the products. After a 12-month licensing trial she realised there was a market for the product, so Ms Halasz went back and purchased the company in 2013.

"When we took it over in 2013 we continued to sell in Japan and this year we are closing more than

\$2 million of sales in Japan," she said.

The product was launched in Australia last year and Cellmid is now looking at other markets, including the US, China and Europe.

The company plans to conduct clinical studies on the effect of the hair-loss product on chemotherapy patients. Ms Halasz said there is no clinical evidence that it

helped cancer patients but there was anecdotal evidence that for patients of aggressive chemotherapy it had kept their hair follicles healthy, so when the hair did regrow it came back healthy and strong.

The revenue from Evolis is supporting the development pipeline at Cellmid.

Ms Halasz said that while chronic kidney disease was not a

"sexy area", 30 per cent of diabetics developed kidney disease at some point in their life, and they were more likely to die of complications from the disease than anything else.

The company is also targeting heart attack patients with a drug that reduce the damage to the cardiac tissue.

Both drugs are in early stages of development.

Combing the market for a hair treatment

(Reporter: Sarah-Jane Tasker)

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The article also appeared on The Australian Business Review online platform under the heading “Cellmid hair treatment product supports drug development program” on the 28th June 2016 <http://www.theaustralian.com.au/business/companies/cellmid-hair-treatment-product-supports-drug-development-program/news-story/94baed330ec2df0110b40ae3eff5711e>