

Top commentator James Dunn from Switzer report rates CDY as a very interesting buy



[James Dunn](#) 10 October | 2016

Financial journalist and commentator on 3AW and Sky Business

Cellmid (CDY, 3.2 cents)

Market capitalisation: \$30 million

Cellmid is an Australian biotech that is generating revenue from its consumer health products while commercialising its intellectual property in midkine (MK) antibodies. MK has been extensively validated as a bio-market for cancer. Cellmid holds 82 patents covering the use of MK (and anti-MK agents) to treat or prevent auto-immune, ischemic and vascular diseases, and to diagnose cancer and arthritis.

The company recently set up dedicated subsidiaries, Lynamid Limited and Kinera Limited, to develop its assets: Lynamid is aimed at using therapeutic antibodies against MK, to treat cancer and inflammatory diseases, while Kinera applies the benefits of MK protein following ischemic injury, the most common form of which is heart attack.

Just this month, Cellmid received results from a pre-clinical collaboration with Complutense University in Spain that suggests that its MK antibodies can be used to treat glioblastoma, an aggressive form of brain cancer for which there is no effective treatment. Existing treatments only extend survival from three months to just over a year.

The study looked at cancer treatment involving medical cannabis: certain chemical components of cannabis called cannabinoids are potent anti-cancer agents, but tumours can develop resistance to cannabinoids. The Spanish study observed that MK antibodies, in combination with the cannabinoid THC, inhibited tumour growth in gliomas that are resistant to THC. Overcoming THC resistance would be a potential route to a treatment strategy using MK antibodies.

Cellmid has a diversification in its consumer health division, which currently sells hair growth products in Japan and Australia, developed using the FGF5 intellectual property, for which Cellmid owns global rights. Cellmid generated \$4.6 million of revenue in FY16 – up 55% – but remains a loss-maker. (It also

received an R&D tax credit of \$1.12 million). News flow from the MK portfolio will be the driver for this stock.



Source: Yahoo!7 Finance

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Four speculative growth stocks By James Dunn 10 October 2016, Switzer Super Report

<https://switzersuperreport.com.au/four-speculative-growth-stocks/>