

ASX ANNOUNCEMENT

USA DISTRIBUTION PARTNERSHIP FOR CELLMID'S EVOLIS®

- **Partnership with Colour Collective to exploit US\$3.5 billion hair loss market**
- **Direct access to USA e-commerce, retail and professional channels**
- **USA sales to commence in 2016 with the goal to exceed US\$100 million at peak level**

SYDNEY, Wednesday, 20 July 2016, Cellmid Limited (ASX: CDY), is pleased to advise that it has entered into a distribution partnership with Colour Collective for the USA launch of the Company's evolis® branded hair loss products. Colour Collective, a specialist in the launch of high end hair brands in the US, is based in Dallas, Texas.

The principals of Colour Collective have over 40 years of combined experience in successfully launching and distributing brands in the USA, Europe and Asia for companies such as Revlon, Unilever, LVMH, Colomer and Toni & Guy. Since 2012 Colour Collective has launched nine new brands covering 146 products.

The US distribution partnership will provide Cellmid with an accelerated, direct route to the sales channels that have proven successful in Australia and Japan during the Company's commercial proof of concept rollout. These include e-commerce and sampling channels for rapid customer acquisition, home shopping networks and high-end retail stores. USA sales will commence in 2016 through e-commerce channels with distribution to high-end retail and other direct to consumer opportunities to follow.

The global hair loss market is estimated to be around US\$7 billion annually. Topical treatments account for US\$2.7 billion, of which minoxidil based products are the largest revenue generators.¹

The USA is the biggest single market for hair loss treatments with combined sales of around US\$3.5 billion annually.² Minoxidil based products account for 57.7%³ of the USA topical market, catering mostly for men and have low efficacy rate. Advangen's FGF5 inhibitor hair loss products, evolis®, are formulated for men and women. This is particularly important as almost half of those suffering from hair loss are women without a safe and effective treatment alternative.

"Once in a while we see a product that has the potential to become a category leader" said former Toni & Guy director, and Product Director of Colour Collective, Susan Roberts Cooper. "We saw that evolis® has that potential in the USA when we reviewed the clinical study results earlier this year" she added.

Former Revlon executive and Director of Marketing at Colour Collective, Kerry Yates, said "Given that minoxidil based products cater mostly for men, evolis® has a much greater market potential in the hair loss segment alone, not to mention the rapidly growing anti-aging hair care category. We see evolis® as a US\$100 million plus brand in the USA alone".

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¹ © IBISWorld Industry Review, May 2015

² © IBISWorld Industry Review, May 2015

³ Chain Drug Review, IRI, © Statista 2015

Cellmid Limited (ASX: CDY)

Cellmid is an Australian life sciences company with lead programs in multiple disease indications. The Company, through its wholly owned subsidiaries, develops and markets innovative novel therapies and diagnostic tests for fibrotic diseases, cancer, ischemic diseases of the heart and hair loss. Cellmid holds the largest and most comprehensive portfolio of intellectual property relating to the novel targets midkine (MK) and FGF5 globally. Through its Advangen business, Cellmid sells its FGF5 inhibitor hair growth products in Australia and Japan, and is expanding distribution in other territories. For further information, please see www.cellmid.com.au and www.evolisproducts.com.au.

Advangen Limited - Cellmid's Consumer Health Division

In 2013 Cellmid acquired Advangen Inc. (Japan), the owner of a range of FGF5 hair growth technologies and became the only company globally with an FGF5 inhibitor hair growth product range on the market. Cellmid has continued innovation and product development and filed a number of new patent applications covering several hair growth agents including midkine and a group of novel FGF5 inhibitors. In addition to distribution in Australia and Japan the Company is actively expanding into other markets such as the USA, Asia and Europe.

Forward-Looking Statements

This press release includes forward-looking statements that relate to future events and/or future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results, and actual results may differ from the results anticipated in these forward looking statements. We do not undertake any obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise