

ASX ANNOUNCEMENT

CELLMID RECORDS HIGHEST EVER QUARTERLY SALES FOR EVOLIS®

- **Over \$1 million sales for 1Q FY2017 for Cellmid's hair loss products**
- **Australian sales of evolis® are up by 115% compared with the same period in FY2016**

SYDNEY, Monday, 10 October 2016: Cellmid Limited (ASX: CDY) is pleased to advise that, through its wholly owned subsidiary Advangen Limited, it has achieved record sales for its FGF5 inhibitor hair loss products during the first quarter of the 2017 financial year. For the first time ever, sales exceeded the million-dollar mark for the quarter, with a total combined result of \$1,022,913.

Australian sales grew by 115%, with the new national advertising program showing strong results. The Company's website sales are also growing with social and digital marketing campaigns delivering results. Overall sales are up by 30% compared with the same period in FY2016. The numbers do not include any sales from the USA; these are expected to commence in 2Q FY2017.

Between FY2014, when Cellmid acquired Advangen Inc., and FY2016 sales increased by 171% for the company's FGF5 inhibitor hair loss products. Not only revenue, but profitability has also improved with normalised income cover growing from 37% in FY2014 to 57% in FY2016. For the first time since its history Advangen Inc., (Japan) became profitable during the 2016 financial year.

Cellmid is committed to continuing on this path and growing the business by increasing the product footprint globally and improving profitability.

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Cellmid Limited (ASX: CDY)

Cellmid is an Australian life sciences accelerator with lead programs in multiple disease indications. The Company, through its wholly owned subsidiaries, Lyramid, Kinera and Advangen, 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. Intellectual property pertaining to this novel target is being exploited through wholly owned subsidiaries Lyramid and Kinera. Advangen, Cellmid's consumer health business, sells its FGF5 inhibitor hair growth products in Australia and Japan, and currently expanding distribution in other territories. For further information, please see www.cellmid.com.au and www.evolisproducts.com.au.

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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 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 evident 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.