

ASX ANNOUNCEMENT

FUJIKURA EXERCISES OPTION TO LICENSE CELLMID'S DIAGNOSTICS

- Fujikura exercises its Option to license Cellmid's MK diagnostic technology
- Cellmid to receive milestone fee of JPY40 million
- License is expected to be signed for multiple cancer diagnostic products

SYDNEY, Thursday, 18 July 2013: Cellmid Limited (ASX: CDY) has received confirmation that Fujikura Kasei Co Ltd (Fujikura) will exercise its Option to license the midkine (MK) diagnostic technology by paying the requisite JPY40 million (AUD 440,000) Milestone Fee.

Under the terms of the Option to License agreement, which was signed between the companies in February 2013, Cellmid supplied Fujikura with its proprietary anti-midkine diagnostic antibodies for validation on Fujikura's latex platform. Proceeding to a license agreement was conditional on Fujikura reaching accuracy of 500 picogram/ml midkine on its latex diagnostic platform using Cellmid's antibodies.

Fujikura has since completed this milestone, reached the required accuracy and advised Cellmid of its intention to exercise its Option. The parties will now proceed to a supply and license agreement for the development and marketing of multiple cancer diagnostic products using Fujikura's latex assay with Cellmid's MK antibodies.

The license between the parties is expected to grant exclusive rights to Fujikura to use Cellmid's proprietary antibodies for latex based tests. In return, Fujikura will pay royalties on products sold. Product development and marketing costs will be borne by Fujikura.

A latex based test with a 500 picogram/ml accuracy can be used reliably to identify individuals with elevated midkine levels. This in turn is expected to lead to the development of a number of cancer diagnostic products. Cellmid will support Fujikura's regulatory and product development programmes with its MK diagnostic expertise.

Cellmid has a highly accurate MK-ELISA already, however a latex based assay will be suitable for commercial products, as it is widely used and accepted in pathology laboratories. It is also preferred as it can easily be automated, reducing processing costs.

Fujikura Kasei is one of the largest suppliers of latex particles for the medical diagnostics industry in Japan. While traditionally servicing other industries with polymers and resins, Fujikura has been actively expanding into medical diagnostics.

"We are pleased with the progress of our project with Cellmid and looking forward to developing and marketing a number of cancer diagnostic products using midkine as a key marker on our platform" said Fujikura's Head of Medical Project Division, Dr Hideyuki Kuroda.

Cellmid CEO Maria Halasz said she was impressed by Fujikura's technical skills in developing a latex based midkine test.

"With Fujikura's strong focus on building market share in proprietary cancer tests our MK diagnostic technology is in good hands" she said.

Midkine has been extensively validated as an early marker for a range of cancers and has been shown to be useful in prognosis and disease management. A license agreement involving MK for the early diagnosis, prognosis and disease monitoring of lung cancer was signed in 2009 with Celera-Quest, and for bladder cancer in 2010 with Pacific Edge Biotechnology.

A license with Fujikura Kasei involving multiple cancer indications further validates the Company's technology, including the quality of its reagents.

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Cellmid Limited (ASX: CDY)

Cellmid is an Australian biotechnology company developing innovative novel therapies and diagnostic tests for inflammatory diseases, heart attack and cancer. Cellmid holds the largest and most comprehensive portfolio of intellectual property related to midkine and midkine antagonists globally. The Company's most advanced development programs involve using its anti-midkine antibodies for the treatment of cancer as well as inflammatory and autoimmune disorders. In addition, Cellmid is commercialising midkine as a biomarker for cancer diagnosis. Elevated midkine concentration in the blood and other body fluids is strongly indicative of cancer. Cellmid's first product, the MK-ELISA, is a blood test that sensitively and accurately measures serum midkine levels.

Fujikura Kasei Co Ltd

Fujikura Kasei is a Japanese company listed on the Tokyo Stock Exchange with headquarters in Tokyo. Established in 1938, Fujikura Kasei Co Ltd is a fine chemical company traditionally with core strengths in coating materials, electro-conductive materials, polymers and resins, serving electronics, automobiles, buildings industries. With its platform technologies in particle size and shape control, hybridization, functionality and processing, Fujikura Kasei is one of the largest suppliers of latex particles used in medical diagnostic based on latex coagulation technology.

Midkine (MK)

Midkine is a multifunctional 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, because midkine is only present in a disease context, targeting midkine does not harm normal healthy tissues.