Media Coverage

Company: AusBiotech
Publication: Merger Market
Date: 19/10/11
Page: Online

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Cellmid hires advisor to assist with 2012 AUD 7-10m capital raise, CEO says

Cellmid (ASX: CDY), an Australian developer of therapies and diagnostic tests for heart attack, inflammatory diseases and cancer, will seek AUD 7-10m (USD 7.2-10.3m) in early 2012, said CEO Maria Halasz. She was speaking to this news service on the sidelines of today's Ausbiotech Australasian Life Science Investment Summit in Adelaide.

The AUD 9m market cap Cellmid (previously **Medical Therapies**), which has raised AUD 10m to date, is seeking capital for clinical trials for therapeutic antibodies. It is keen to secure a substantial investor for a significant stake, Halasz said.

Cellmid has hired an advisor to assist with the capital raise, Halasz said. She declined to name the advisor but said the company's other external advisors currently include PKF and Piper Alderman. Its commercial banker is NAB.

Cellmid holds a large and comprehensive portfolio of intellectual property related to midkine, which promotes cell migration, growth and survival, Halasz said. It has three different but synergistic businesses around this technology, namely diagnostics, therapeutics and cosmeceuticals.

Multiple revenue sources make it a unique target, Halasz said, adding that it is already selling a hair loss cosmeceutical product and expects to report significant revenue in the next 12 months. Cellmid is undervalued as the market seems not to have factored in the value of these multiple revenue streams, she added.

The company could also be attractive to investors because it has a powerful patent position, owning some 21 patent families; it has an extensive knowledge base around midkine; and it is a very liquid stock, with some 2.3m shares on average having been traded daily for the past three months, Halasz said.

An ideal investor would be a specialized biotech fund that understands the space and undervalued stocks, and has an appreciation of the timeline to get to clinical trials, Halasz said, adding that this could be around two years and that a suitable fund could well be US-based.