

**ASX ANNOUNCEMENT**

**NOTES TO THE APPENDIX 4C**

**SYDNEY, Thursday, 25 January 2018: Cellmid Limited (ASX: CDY)** provides the following notes to the Appendix 4C for the second quarter of the 2018 financial year (FY2018).

Cellmid closed the second quarter of FY2018 with \$3.5 million in cash including \$1.42 million in receipts from customers (FY2017: \$1.4 million).

Sales of its FGF5 inhibitor hair growth and anti-aging hair care products reached \$2,025,451 for the period, an increase of 115% from the same period last year (2QFY2017:\$943K). A significant proportion of the payments in relation to these sales, particularly those made in December through shopping channel QVC, will be received in the third quarter of FY2018.

Key capital management events during the quarter ensured that the Company remained on solid financial footing. Cellmid received its R&D tax credit of \$947K on 3 October 2017, in addition to the \$1.3 million investment it received from strategic investors during the month of December 2017.

Cellmid has also achieved major operational milestones during the quarter including:

- The QVC Japan 'million-dollar day' on 21 December 2017 has been an outstanding success.
- The Advangen concept store was launched on 25 October 2017 in the Ginza Core shopping centre in Tokyo with a well-attended public relations event.
- The Company signed up with its second US retail partner, Soft Surroundings, for the évolis® Professional products.
- The évolis® Professional range was launched in Australian salons in November 2017 and early sales commenced immediately to existing customers.
- The new évolis® website is currently being tested and expected to go live in March.
- The 'in live' phase of the FSGS (kidney disease) studies using midkine antibodies at the Westmead Institute was completed in December 2017.

Further information on these and other milestones reached during the second quarter of FY2018 may be obtained from the Company's operational update to the market, which was released to the ASX on 9 January 2018.

End

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

CELLMID LIMITED

**ABN**

69 111 304 119

**Quarter ended ("current quarter")**

31 DECEMBER 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,421	2,432
1.2 Payments for		
(a) research and development	(385)	(864)
(b) product manufacturing and operating costs	(817)	(996)
(c) advertising and marketing	(429)	(969)
(d) leased assets	-	-
(e) staff costs	(734)	(1,357)
(f) administration and corporate costs	(695)	(1,179)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	27
1.5 Interest and other costs of finance paid	(3)	(6)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	947	947
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(678)</b>	<b>(1,965)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(8)
(b) businesses (see item 10)	-	-
(c) investments	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2</b> Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3</b> Cash flows from loans to other entities	-	-
<b>2.4</b> Dividends received (see note 3)	-	-
<b>2.5</b> Other (provide details if material)	-	-
<b>2.6</b> <b>Net cash from / (used in) investing activities</b>	<b>(1)</b>	<b>(8)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	1,326	1,326
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(23)	(23)
3.5 Proceeds from borrowings	-	256
3.6 Repayment of borrowings	(32)	(56)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10</b> <b>Net cash from / (used in) financing activities</b>	<b>1,271</b>	<b>1,503</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,918	3,995
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(678)	(1,965)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1)	(8)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,271	1,503

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(1)	(16)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>3,509</b>	<b>3,509</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,509	2,918
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,509</b>	<b>2,918</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	120
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
NIL		

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	94
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
NIL		

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	2,558	2,558
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
<u>Australian Facilities</u>		
Platinum Road	A\$2,000,000	Interest Rate 12.00% Secured
<u>Japanese Facilities</u>		
Keiyo Bank Ltd	JPY43,257,000 (A\$491,832)	Interest Rate 1.44% Unsecured
Chiba Bank Inc.	JPY5,825,000 (A\$66,230)	Interest Rate 2.10% Unsecured

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	(180)
9.2 Product manufacturing and operating costs	(150)
9.3 Advertising and marketing	(300)
9.4 Leased assets	-
9.5 Staff costs	(700)
9.6 Administration and corporate costs	(400)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(1,730)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	NIL	NIL
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(CEO / Managing Director)

Date: 25 January 2018

Print name: Maria Halasz

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.