



31 July 2018

Company Announcements Office  
Australian Securities Exchange  
Exchange Centre  
20 Bridge Street  
Sydney, NSW 2000

Dear Sir/Madam

**APPENDIX 4C – JUNE 2018**

Please find attached the Appendix 4C for the June 2018 Quarter for Medlab (ASX: MDC).

Medlab's life science focus is chronic disease and its research and development program has clinical trials underway for pain management, depression, obesity and diabetes and heart disease.

Some of the medicines developed are administered with Medlab's patented small particle spray, NanoCelle™.

Medlab's work in pain management, with its cannabis based medicines NanaBis™ and NanaBidial™, is distinctive in following a clinical trial route and both these medicines have potential to reduce reliance on opiates, which in itself is an increasing health issue globally.

The key highlights for the period have been:

**Cannabis**

- Successful completion of first shipment of NanaBis™ to Royal North Shore Hospital
- Site initiation and trial on boarding for the advanced cancer pain trial
- Progress with patient recruitment
- Doctors have commenced prescribing NanaBis™ under the Government's Special Access Scheme providing, early exciting and promising results

**Depression**

- A recruitment campaign has begun for participants in a phase 2A clinical trial of a medicine for treatment of depression developed by Medlab
- The trial is being led by Queensland University of Technology (QUT)
- The 150 patient trial is designed to meet TGA requirements for expedited drug approval
- Medlab received grant approval from the Federal Government towards cost of the trial

**Corporate**

- Medlab became a member of Australia's peak research community, Research Australia.
- Cash balance of \$20.333m as at 30 June 2018.

For and behalf of the Board.

Sean Hall  
Managing Director

## 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**

MEDLAB CLINICAL LIMITED

**ABN**

51 169 149 071

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

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,306	4,708
1.2 Payments for		
(a) research and development	(699)	(2,037)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(111)	(422)
(d) leased assets	(116)	(449)
(e) staff costs	(959)	(3,468)
(f) administration and corporate costs	(107)	(1,717)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	121	164
1.5 Interest and other costs of finance paid	(16)	(55)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	911
1.8 Other (provide details if material)		
(a) payments for inventory	(550)	(2,220)
(b) IP costs	(12)	(168)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,143)</b>	<b>(4,772)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(62)	(96)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(62)</b>	<b>(96)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	24,000
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	795
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(1,320)
3.5	Proceeds from borrowings	1,355	2,490
3.6	Repayment of borrowings	(1,104)	(2,289)
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>251</b>	<b>23,676</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>4.</b>	<b>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	21,282	1,498
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,143)	(4,772)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(62)	(96)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	251	23,676
4.5	Effect of movement in exchange rates on cash held	5	27
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>20,333</b>	<b>20,333</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	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,333	3,282
5.2	Call deposits	18,000	18,000
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>20,333</b>	<b>21,282</b>

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	101
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	
Director fees/wages		

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
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	

8. Financing facilities available <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	-	-
8.2 Credit standby arrangements	-	-
8.3 Banking facility	1,000	465
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.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	600
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	90
9.4 Leased assets	115
9.5 Staff costs	900
9.6 Administration and corporate costs	250
9.7 Other (provide details if material)	
(c) payments for inventory	500
(d) IP costs	30
<b>9.8 Total estimated cash outflows</b>	<b>2,485</b>

Note: In addition to collections from customers, the Company is expecting receipt of the 2018 R&D Grant, in excess of \$1m.

**Appendix 4C**  
**Quarterly report for entities subject to Listing Rule 4.7B**

<b>10.</b>	<b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1	Name of entity	N/A	N/A
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: .....  
Company secretary

Date: 31 July 2018

Print name: Alan Dworkin

**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.