



ASX Announcement

Medlab Clinical Appendix 4C and Business update – Q3 2024

SYDNEY, April 30, 2024 - Medlab Clinical Ltd (ASX:MDC) (Medlab, the Company), an Australian biotech using delivery technology to enhance medicines effectiveness is providing an important business update and quarterly cash flow report for the period ended 31 March (Q3 2024).

Medlab Company Update

On 12 January 2024, the Company completed the sale of 100% of the issued share capital in Medlab IP Pty Ltd and Medlab Clinical US Inc., from its wholly owned subsidiary Medlab Pty Ltd to Dr. Sean Hall (via nominated his nominated entity). In consideration for the disposal, Dr. Sean Hall (or his associated entity) agrees to pay the Entitled Shareholders, a 20% royalty for a period of 4 years commencing on the date of settlement of the sale agreement.

The Company is in discussions to obtain a strategic minerals business, with a focus on exposure to commodities, that are essential to the global net-zero agenda. The Company expects that the re-compliance process can begin subsequent to this. The expected raise of \$4.5M will be used to acquire the asset on a debt free/cash free basis and provide for working capital requirements across a 24-month period. The Company has received indicative interest from investors and believes the capital raising process will be completed in a timely manner. Once the deal with this prospective company is agreed upon, the expected timeframe for quotation is 3-4 months, customary for these types of transactions (RTO).

Key Financial Highlights

- Cash receipts were **\$ NIL** in the March 2024 Quarter.
- Cash closing balance as of 31st March was **\$ 197K**.
- Expenditure for the quarter related to on-going corporate expenses, including legal and compliance to support EGM preparation and relevant disclosures.

4.7C.3 Ruling

Pursuant to ASX Listing Rule 4.7C.3, the Company advises that during the quarter, payments made to related parties and their associates in the aggregate amount of **\$ 64K**. As already noted in item 6 of Appendix 4C, these payments were for Director fees and payments to related parties of Dr Sean Hall.

- ENDS -

Authorisation & Additional information

This announcement was authorised by the Board of Directors of Medlab Clinical Limited.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

MEDLAB CLINICAL LIMITED

ABN

51 169 149 071

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	70	277
1.2 Payments for		
(a) research and development	-	(73)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	-	(901)
(f) administration and corporate costs	(179)	(2,047)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	2,768
1.8 Other (provide details if material)		
(a) payments for inventory	-	-
(b) IP costs	-	(54)
1.9 Net cash from / (used in) operating activities	(109)	(30)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant, and equipment	-	-
(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant, and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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)	-	-
2.6	Net cash from / (used in) investing activities	0	0

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
	(a) repayment of lease liability	-	-
3.10	Net cash from / (used in) financing activities	0	0

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	306	226
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(109)	(30)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	(0)
4.6	Cash and cash equivalents at end of period	197	197

5.	Reconciliation of cash and cash equivalents 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	197	306
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	197	306

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	64
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Director and associates fees/wages		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Banking facility	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(109)
8.2	Cash and cash equivalents at quarter end (item 4.6)	197
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	197
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.81
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Yes, the Company expects to have a similar level of future net operating cash flows to factor in legal, compliance and consulting costs associated with re-complying corporate shell via re-purposed entity	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Yes, Company has identified a target business opportunity which it is seeking to acquire with further information to be provided to Shareholders in due course. It is anticipated that at this time the Company will raise further funds.	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Yes, the Company is currently in the process of a restructure which is expected to be completed upon the transaction set out at step 8.6.2 being effectuated.	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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.

Date: **30 April 2024**

Authorised by: **By the Board of Directors**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.