



## ASX ANNOUNCEMENT

### RECORD QUARTERLY SALES FOR CELLMID SUBSIDIARY NOTES TO APPENDIX 4C

**SYDNEY, Wednesday, 19 April 2017: Cellmid Limited (ASX: CDY)** provides the following Notes to the Appendix 4C for the third quarter of the 2017 financial year (FY2017).

Advangen, Cellmid's wholly owned subsidiary, achieved record sales of \$1.51 million for the quarter, up 120% from the same period last year (\$685K in 3Q2016).

Cellmid closed the third quarter of FY2017 with a cash balance of \$5.36 million, reporting cash receipts from customers of \$1.2 million, up 80% compared with the same period last year (\$674K in 3Q2016).

During the quarter Cellmid refinanced its Platinum Road R&D loan facility with a net cash inflow of \$1.3 million, after the repayment of the previous \$700K loan.

#### Operational update – Advangen

Advangen Limited is Cellmid's wholly owned subsidiary that owns and operates the consumer health businesses in Australia, Japan and the USA.

**FGF5 inhibitor screening approach and clinical study carried out by Advangen Limited has been published** in the journal *Clinical, Cosmetic, and Investigational Dermatology* 10: 71-85. 27 Feb 2017.

The paper, titled "Promotion of Anagen, increased Hair Density and Reduction of Hair Fall in a Clinical Setting Following Identification of FGF5 Inhibiting Compounds via a Novel Two Stage Process", describes the development and screening program behind the Company's FGF5 inhibitory technology and the discovery of novel, single molecule FGF5 inhibitors. The paper also describes the results of the blinded, placebo controlled clinical study of topical formulations containing the lead inhibitor in men and women.

**Sales of the evolis® REVERSE product range commenced in the USA** in January 2017 on the Company's dedicated e-commerce platform, [evoliprofessional.com](http://evoliprofessional.com). A comprehensive digital and social marketing plan has been developed and is currently being tested including SEM, SEO, community management and other forms of digital strategy. In addition, a premium retail placement strategy and salon distribution program is expected to continue.

**A comprehensive US public relations campaign** continues to deliver publicity with ongoing presence in Men's Health, fashion and lifestyle magazines and product mentions in leading fashion and lifestyle publications as part of a successful e-commerce strategy.

**Japanese sales through television shopping continue to increase** for the second year in a row, without product modifications or extra discounts being introduced. The

hallmark of a successful television shopping product is an increase in repeat customer base that continues to purchase the products, without further discount, over a long period of time. Advangen's Jo-Ju® branded FGF5 inhibitor lotions are uniquely successful in this channel.

**Australian pharmacy distribution** continues to grow with several campaigns in place with retail groups. Some of the new buying groups commenced sales of the evolis® pharmacy range during the quarter and this is expected to continue during the coming months. The Company's national pharmacy sales force is actively working with the product development teams to broaden the FGF5 inhibitor product range and provide additional revenue sources in this highly potent distribution channel.

**Advertising activity** in digital and social channels continued in Australia during the quarter, but television advertising spending was lower in what is a traditionally quieter buying period. The US e-commerce strategy is in testing phase and advertising spending was limited to some social and digital activity during the reporting period.

### **Operational update – Lynamid and Kinera**

Lynamid Limited and Kinera Limited are Cellmid's wholly owned subsidiaries that own and develop midkine (MK) related research and development programs.

**Research on Lynamid's chronic kidney disease program** commenced during the quarter with results expected in the second quarter of FY2018. Some of the research is funded by the Commonwealth Government grant approved in January 2017. It will build on earlier data generated by the Westmead Institute regarding kidney disease and its systemic complications.

**Publication was accepted by Lynamid licensee, Pacific Edge in Urologic Oncology** demonstrating that CxBladder Monitor provides clinicians with greater degree of certainty when monitoring recurrent bladder cancer. CxBladder Monitor displayed a combination of high sensitivity and high Negative Predictive Value (NPV), both of which are essential for an effective rule-out test, outperforming all comparator tests irrespective of the patient's age and gender, recurrent tumour size, stage and grade, or duration post-treatment with adjuvant BCG. This latest confirmation of the superior performance of CxBladder compared with other tests is expected to increase clinical adoption of the Bladder test.

**Ischemic programs in Kinera** continue with the latest collaboration by Monash University and RMIT scientists on an undisclosed orphan indication. This is in addition to the ischemic heart disease program expected to be funded by the Platinum Road R&D loan.

End

Contact: Maria Halasz, CEO

T +612 9221 6830

 @mariahalasz

## 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 MARCH 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,215	3,507
1.2 Payments for		
(a) research and development	(480)	(1,240)
(b) product manufacturing and operating costs	(341)	(1,040)
(c) advertising and marketing	(563)	(1,554)
(d) leased assets	-	-
(e) staff costs	(652)	(2,042)
(f) administration and corporate costs	(440)	(1,331)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	21	28
1.5 Interest and other costs of finance paid	(3)	(7)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	831
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,243)</b>	<b>(2,848)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(4)	(10)
(b) businesses (see item 10)	-	-
(c) investments	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
(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 Net cash from / (used in) investing activities</b>	<b>(4)</b>	<b>(10)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	2,970
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	1,221
3.4 Transaction costs related to issues of shares, convertible notes or options	(96)	(192)
3.5 Proceeds from borrowings	1,567	1,824
3.6 Repayment of borrowings	(178)	(217)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>1,293</b>	<b>5,606</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	5,345	2,686
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,243)	(2,848)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(4)	(10)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,293	5,606

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(29)	(72)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>5,362</b>	<b>5,362</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	5,362	5,345
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>5,362</b>	<b>5,345</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	39
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	-
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		

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	2,584	2,584
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	JPY42,514,000 (A\$498,264)	Interest Rate 1.44% Unsecured
Chiba Bank Inc.	JPY7,328,000 (A\$85,884)	Interest Rate 2.10% Unsecured

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	(360)
9.2 Product manufacturing and operating costs	(150)
9.3 Advertising and marketing	(450)
9.4 Leased assets	-
9.5 Staff costs	(680)
9.6 Administration and corporate costs	(430)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(2,070)</b>

<b>10. 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	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: 19 April 2017

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.