



ASX Announcement

## Medlab Clinical Appendix 4C and Business update

**SYDNEY, July 30, 2021** - Medlab Clinical Ltd (ASX: MDC) (Medlab, the Company), an Australian biotech using delivery platforms to enhance medicines effectiveness is pleased to provide a business update and quarterly cash flow report for the period ended 30 June 2021 (Q4 2021).

### Highlights

- 42 Global Patent approvals protecting NanoCelle® until 2036.
- Medlab presentation at the Jefferies Conference results in strong partnering discussions.
- NanaBis™ de-risks drug application and improves scalability and economics on moving to synthetic drug substances.
- New CFO and Company Secretary appointed with strong pharmaceutical experience.
- NanaBis™ Observational study moves to over 900 Australian patients.
- NanaBis™ Phase III trial appointed National Clinical Trials (NCT) number on US [Clinicaltrials.gov](https://clinicaltrials.gov) database.
- Final Phase 2a read-out on NRGBiotic™ Depression Trial.
- Cash position at end of June 30, 2021, at \$13.4M

In this quarter, Medlab has made significant progress in:

1. Research and Development endeavours
2. De-risking NanaBis™ as it relates to the Chemistry, Manufacturing and Controls (CMC) module of its New Drug Application (NDA), whilst moving forward on the near-future Phase III trial program.

Recently, Medlab concluded its Phase 2a read-out of NRGBiotic™ Depression trial with primary and secondary endpoints being met. Data from this trial has provided keen and direct insights for a more simple and cost-effective formulation which is expected to be used in future investigational work.

Medlab is focusing heavily on partnering. The recent Jefferies Healthcare Conference and the granting of NanoCelle® Patents has created strong interest in several Medlab programs. The board and Executive team are confident in being able to deliver meaningful partnering opportunities in the near term.

Medlab has appointed Mr Kerem Kaya, Chief Financial Officer and Company Secretary effective 17<sup>th</sup> May 2021. Mr Kaya joins Medlab with extensive pharmaceutical and financial experience gained at one of the world's largest pharmaceutical companies, Novartis. Mr Kaya's appointment follows the resignation of Mr Alan Dworkin.

Financially, Medlab reported cash receipts of \$1.3M and a net operating outflow of \$3.3M. The company has continued to focus on Medlab's global expansion and research initiative, while managing cash with a final quarter cash burn of \$3.6M. During the quarter, Medlab raised net \$3M in a placement to institutional and sophisticated investors.

The Company's cash position as of 30 June 2021 was \$13.4M, with an additional expectation of approximately \$2M from the Australian R&D grant. During the quarter, related party payments of \$0.5M were made. These payments were directors' fees & wages, executive and tax consulting services and wages to related parties of Dr. Sean Hall.

A detailed report will be available in the upcoming Annual Report.

## ENDS

### Authorisation & Additional information

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

### About Medlab Clinical:

Medlab Clinical LTD (ASX: MDC) is pioneering the development and Commercialisation of a delivery platform, allowing for enhanced medical properties, including increased efficacy, safety, patient compliance and stability.

Medlab's pipeline comprises several small and large molecules from repurposing generic medicines to enhancing the delivery of immunotherapies. Patented lead drug candidate NanaBis™ has been developed for cancer bone pain as a viable alternative to opioid use. Data to date, strongly suggests NanaBis™ may be equally effective in non-cancer neuropathic pain.

NanoCelle®, the patented delivery platform is wholly owned by Medlab and developed in Medlab's owned OGTR Registered Laboratory.

NanoCelle® is designed to address known medication problems, addressing global unmet medical needs. Medlab operates in Australia (Head Office), USA, and the UK.

For more information, please visit [www.medlab.co](http://www.medlab.co)

**Medlab** – *better medicines, better patient care*

### For further information contact:

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## 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")**

30 June 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,257	5,027
1.2 Payments for		
(a) research and development	(704)	(5,251)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(233)	(1,503)
(d) leased assets	(15)	(118)
(e) staff costs	(1,479)	(4,909)
(f) administration and corporate costs	(1,486)	(2,988)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	25
1.5 Interest and other costs of finance paid	(18)	(68)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	200	3,558
1.8 Other (provide details if material)		
(a) payments for inventory	(777)	(3,182)
(b) IP costs	(27)	(237)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,272)</b>	<b>(9,645)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(18)	(39)
(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(18)</b>	<b>(39)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,165	16,346
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	(197)	(1,003)
3.5	Proceeds from borrowings	620	2,565
3.6	Repayment of borrowings	(676)	(3,079)
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	(235)	(771)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,677</b>	<b>14,049</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<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 period	14,032	9,063
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,272)	(9,644)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(18)	(39)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,677	14,059
4.5	Effect of movement in exchange rates on cash held	13	(7)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>13,432</b>	<b>13,432</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	13,432	14,032
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>13,432</b>	<b>14,032</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	548
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
	Director and associates fees/wages	

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	
7.2 Credit standby arrangements	-	
7.3 Banking facility	2,000	135
<b>7.4 Total financing facilities</b>	<b>2,000</b>	<b>135</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>1,865</b>
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.		
A debtor finance facility secured over debtors was established with Scottish Pacific Business Finance in November 2017 (renewed June 2019). The facility is over a 24-month term with a discount charge of 8.04% and is for \$2m and matures June 2021		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,272)
8.2 Cash and cash equivalents at quarter end (item 4.6)	13,432
8.3 Unused finance facilities available at quarter end (item 7.5)	1,865
8.4 Total available funding (item 8.2 + item 8.3)	15,297
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>4.68</b>
<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: N/A	
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: N/A	
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: N/A	
<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<sup>th</sup> July 2021** .....

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.