ASX ANNOUNCEMENT

CELLMID LIMITED NOTES TO THE APPENDIX 4E

- Revenue and other income growth of 23% in FY2018 to $6.83 million (FY2017: $5.56 million)
- Consumer health sales growth of 25% in FY2018 to $5.65 million (FY2017: $4.5 million)
- Cash balance as at 30 Jun 2018 of $1.6 million, with a subsequent $9 million two-tranche private placement[i]
- A further $1 million Share Purchase Plan announced on 31 July and will close on 30 August 2018.
- Global marketing and distribution strategy delivered strong consumer health results with distribution agreements signed for flagship anti-aging product, évolis®
- Strong sales growth expected to continue into FY2019; to be driven by substantial distribution expansion in USA, Japan and China as well as new product launches including Fillerina® in Australia.

SYDNEY, Friday, 24 August 2018: Cellmid Limited (ASX: CDY) ('Company') provides its Appendix 4E Preliminary Final Report for the twelve months ended 30 June 2018.

Total revenue and other income in FY2018 was $6.83 million, compared to $5.56 million in the prior corresponding period (FY2017). Sales growth from Cellmid's consumer health division was the key driver of Cellmid's revenue performance, increasing 25% to $5.65 million in FY2018 (FY2017: $4.50 million).

Significant distribution agreements and market developments were entered into over FY2018 and include:

- Premium retail partnerships for évolis® with Bloomingdales (US) and Neiman Marcus (USA), with in-store placement to commence September 2018;
- Exclusive agreement signed to distribute Fillerina®, a market leading Swiss anti-aging skincare brand in Australia and New Zealand; sales to commence in September 2018; and
- Exclusive agreement with Beijing Fukangren Bio-pharm Co. Ltd to distribute évolis® anti-aging hair care products in China.

Consumer product sales continued to perform well in Japan, particularly through television shopping channel QVC. Cellmid will be launching évolis® via Japanese sales channels including e-commerce, hair salons and independent chemists in the coming year.

Cellmid reported a net loss after tax of $3.73 million in FY2018, a 17% improvement on the previous year (FY2017: $4.50 million loss). As Cellmid progresses past the first phase of its global marketing and distribution expansion, operating costs are expected to be leveraged even more efficiently with new products and markets.

Subsequent to the balance date, Cellmid raised $9.0 million (before costs) via a two-tranche placement, with the second tranche being subject to shareholder approval at a General Meeting of Cellmid Shareholders on 7 September 2018. The placement closed with strong demand from new and institutional investors.

[1] First tranche of approximately $1.7 million received on 3 August 2018. The second tranche of approximately $7.3 million is subject to shareholders approval at a General Meeting on 7 September 2018.

A further $1 million may be raised via Cellmid's Share Purchase Plan currently open to existing eligible shareholders. Cellmid's Share Purchase Plan is due to close at 5:00pm (Sydney time) on Thursday 30 August 2018.

Cellmid's Chief Executive Officer, Maria Halasz said, "We are pleased with the revenue growth we have delivered in FY2018, especially as we reduced losses and continued to move towards profitability. Due to the unique market positioning of our flagship, clinically proven évolis® product range for haircare we are well placed to deliver continued growth in revenues in FY2019 in the fast-growing anti-aging consumer health market. New revenue streams from the Company's expanding distribution channels and the launch of new products are expected to drive additional growth into FY2019."

END

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Cellmid Limited (ASX: CDY)
Cellmid is an Australian life sciences company with lead programs in multiple disease indications. The Company, through its wholly owned subsidiaries, Lyramid, Kinera and Advangen, develops and markets innovative novel therapies and diagnostic tests for fibrotic diseases, cancer, ischemic diseases of the heart and hair loss. Cellmid holds the largest and most comprehensive portfolio of intellectual property relating to the novel targets midkine (MK) and FGF5 globally. Intellectual property pertaining to midkine is being exploited through wholly owned subsidiaries Lyramid and Kinera. Advangen, Cellmid's consumer health business, sells its FGF5 inhibitor hair growth products in Australia, Japan, USA and China. For further information, please see www.cellmid.com.au and www.myevolis.com.au.

Advangen Limited and hair growth products
Advangen Limited is Cellmid's wholly owned subsidiary engaged in the development and sale of first in class, best in class, clinically validated anti-aging products for hair, skin and body. Advangen has a range of FGF5 inhibitor hair growth products which are sold in Australia, Japan, USA and China. Advangen has a rich portfolio of hair growth and anti-aging hair care assets which include formulations of products on market, trademarks, patents and patent applications, proprietary assays and manufacturing processes. With the Fillerina® distribution agreement Advangen has its first skincare range.

Midkine (MK)
Midkine is a growth factor that is highly expressed during embryonic development. Midkine modulates many important biological interactions such as cell growth, cell migration and cellular adherence. These functions are relevant to cancer, inflammation, autoimmunity, ischemia, nerve growth/repair and wound healing. Midkine is barely detectable in healthy adults and only occurs as a consequence of the pathogenesis of a number of different disorders. Midkine expression is often evident very early in disease onset, even before any apparent physical symptoms. Accordingly, midkine is an important early marker for diagnosing cancers and autoimmune diseases. Finally, midkine is only evident in a disease context, and targeting midkine is not expected to harm normal healthy tissues.

Investment in life sciences companies
There are a number of inherent risks associated with the research, development and commercialisation of pharmaceutical products. Investment in companies specialising in these activities carry specific risks which are different to those associated with trading and manufacturing businesses. As such, these companies should be regarded as highly speculative. Cellmid recommends that investors seek professional advice before making an investment in its shares.

Appendix 4E

Preliminary Final Report

Details of reporting period

Name of Entity	Cellmid Limited
ABN	69 111 304 119
Reporting period	For the year ended 30 June 2018
Previous period	For the year ended 30 June 2017

Operating results and commentary

Financial Results			**June 2018 $**
Revenue and other income from ordinary activities	Up	23%	6,834,924
Loss from ordinary activities after tax attributable to the owners of Cellmid Limited	Down	17%	3,732,615
Loss for the year attributable to the owners of Cellmid Limited	Down	17%	3,732,615

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Net tangible assets	**June 2018**	**June 2017**
Net tangible assets per ordinary share (cents)	0.06	4.16

Audit qualification or review
The financial statements are currently being audited and an unqualified opinion is expected to be issued.

Attachments
The operating results, review of operations and preliminary financial report of Cellmid Limited for the year ended 30 June 2018 are attached.

Other explanatory notes
The operating results for the Group continued to improve during the 2018 financial year. Revenue and Other Income for the Group increased 23% to $6,834,924 (2017: $5,560,121) during the reporting period, with a 25% increase in Consumer Health revenue to $5,647,930 (2017: $4,496,338). Consolidated loss was down 17% to $3,732,615 after providing for income tax (2017: $4,482,273 loss). An R&D tax credit of $946,963 was received during the reporting period (2017: $831,408).

6. Signed

Director: ……………………………………

Bruce Gordon

Dated this 24th day of August 2018

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Operating results

The operating results for the Group continued to improve during the 2018 financial year. Revenue and Other Income for the Group increased 23% to $6,834,924 (2017: $5,560,121) during the reporting period, with a 25% increase in Consumer Health revenue to $5,647,930 (2017: $4,496,338). Consolidated loss was down 17% to $3,732,615 after providing for income tax (2017: $4,482,273 loss). An R&D tax credit of $946,963 was received during the reporting period (2017: $831,408).

Review of operations

The Group achieved several major commercial milestones during FY2018 for the Consumer Health Business (Advangen Limited) in Australia, Japan, USA and China. In Japan, the Group's sales in television shopping channel QVC continued to increase and the first Advangen concept store was opened in October 2017 in Ginza, Tokyo. In Australia distribution rights for a new product range, Fillerina®, have been secured to optimise existing sales channels. In the USA the Group signed retail partnerships with Neiman Marcus, Bloomingdales and Soft Surroundings during the reporting period. In China, import permits for the Group's Japanese brands were issued in August 2017 and a distribution agreement was signed with Beijing Fukangren Biopharm Tech Co., Ltd (Fukangren) in May 2018.

The Group's Midkine Business, Lyramid Limited and Kinera Limited, continued the preclinical development programs and demonstrated efficacy in new disease models. The Group has formed collaborations, which resulted in the development of novel intellectual property and filing of patent applications. The scientific developments around the Group's key midkine asset portfolio resulted in a publication in *Nature*, the highest ranked scientific journal. In addition to receiving the R&D tax credit of $946,963 the Group received an Innovation Connections Grant to the value of $110,000 from the Federal Government for its research into chronic kidney disease.

i. Consumer Health Business (Advangen Limited or Advangen)

Revenue in the Consumer Health Business has grown 25% to $5,647,930, largely as a result of increased sales in Japan and early results from the USA market. Originally set up for the commercialisation of the over the counter hair growth products based on the FGF5 inhibition technology, the Consumer Health business developed a global footprint during the reporting period with premium retail partnerships in the USA and a distribution agreement in China in addition to existing sales in Japan and Australia. The Group has also acquired distribution rights for a new anti-aging skincare product, Fillerina®, to broaden its product offerings in Australia and New Zealand.

Ginza store launch and growth in Japan from television shopping channel QVC

Sales growth was recorded during the reporting period from the Group's Jo-Ju® products through Japanese television shopping network QVC, which has an audience of 26 million households. Additional channels contributing to the strong Japanese sales during the reporting period included barbershops for the Lexilis® branded products and sales from the first concept store opened in Ginza, Tokyo, in October 2017.

USA premium retail partnerships and public relations success for evolis® Professional

The Group secured a retail partnership with luxury department store chain Neiman Marcus in August 2017. With 42 stores across the US and an increasingly significant and fast-growing online presence Neiman Marcus e-commerce sales of the evolis™ Professional products commenced in September 2017. Sales exceeded expectations and Neiman Marcus will range evolis™ Professional products in stores from September 2018 as a result. In April 2018 the Group partnered with Bloomingdales, one of the oldest and most prestigious department stores in the USA established in 1872 and currently owned by Macy's, Inc. In June 2018 e-commerce sales have commenced on the Soft Surroundings platform. The US consumer experience study, LOVE IS, into the evolis™ Professional range was completed in August 2017 with 98% of participants reporting new hair growth, 97% reported decreased hair fall and 96% improved texture. The results have been editorialised in major business and consumer publications including Forbes, New Beauty, eol.com, and Readers' Digest reaching at least 169 million readers with 424 million potential impressions.

Chinese import permits and distribution agreement represent new sales channels

An exclusive distribution agreement was signed with Chinese pharmaceutical company Fukangren for the evolis® range of pharmacy grade over-the-counter medicines in May 2018. The agreement provides for a period of 12 months to obtain CFDA regulatory approvals for the evolis® products. Subject to receiving the approvals, Fukangren will be required to order minimum product quantities to maintain market exclusivity for the products in China. The Group's Lexilis® and Jo-Ju® products received Chinese FDA approval for import into China on 1 August 2017, and sales commenced through a local distributor.

Australian pharmacy capabilities recognised with Fillerina® distribution rights

With a national sales team operating since September 2017 the Australian focus has been on improving financial performance by abandoning non-profitable sales campaigns, adding new products and increasing training and merchandising in pharmacies. The acquisition of distribution rights in April 2018 for the Fillerina® product range, the first non-injectable dermal fillers with clinical evidence of performance, and the development of new products, are critical contributors to profitability for the Group's Australian business in the future.

ii. Midkine Business (Lyramid Limited and Kinera Limited)

Nature publication and 5th Midkine Symposium confirms clinical potential for midkine antibody assets

In August 2017 Cellmid reported the publication in *Nature* of the results of a significant study showing for the first time that midkine, around which the Company holds extensive intellectual property rights, is a crucial agent in the promotion of melanoma metastasis. The paper, entitled "*Whole-body imaging of lymphovascular niches identifies pre-metastatic roles of midkine*", by Professor Marisol Soengas and her group based in CNIO in Madrid, describes how midkine drives the often-fatal metastatic spread of melanoma cells from the primary tumour in the skin to distant organs such as liver, lung, bone and brain. This independent study reinforced midkine's strong clinical potential in cancer.

In May 2018 the Group held its 5th Midkine Symposium in Munich, Germany. New research findings on midkine and midkine inhibitors were revealed across 38 presentations by scientists from 13 countries. Highlights of the Symposium included themed sessions on the role of midkine in cancer (12 talks), cardiovascular biology (6 talks), tissue injury responses (7 talks), as well as neural development and CNS disorders (6 talks). Many speakers highlighted and expanded upon research recently published in top ranking and prestigious journals including *Nature*, *Cell*, *Cell Reports*, *Science Signalling* and *Science Reports*, which contributed to a high-quality scientific meeting.

The high quality of recent publications is reflective of the improved understanding of the importance of MK in many disease processes. Significantly, the Symposium revealed new evidence around MK's role as a critical mediator of cell communication and inter-organ signalling in cancer and inflammatory diseases highlighting the potential clinical applications for the Group's antibodies.

iii. Significant changes in state of affairs

On 31 July 2018 the Group completed a private placement of shares to sophisticated and institutional investors and received firm commitments for $9 million equity funding. Approximately $7.3 million of this funding is subject to shareholders' approval. The Group called a general meeting of the shareholders to be held on 7 September 2018.

On 31 July 2018 the company announced a Share Purchase Plan (SPP) to the maximum amount of $1 million. The SPP will close on 30 August 2018.

Update on the Ikon legal action

On 22 July 2017, the Group announced that Ikon Communications Pty Ltd (Ikon) had filed a claim for an amount of $939,055 plus interest pursuant to the services agreement entered into between Group company Advangen International Pty Ltd (Advangen) and Ikon on 15 June 2015, being a claim for invoices which Advangen has not paid to Ikon. Advangen continued to vigorously defend its position that it is not liable for those unpaid invoices because Ikon has breached the services agreement, failed to provide certain contractually required services at all or adequately and engaged in misleading or deceptive conduct that has caused Advangen loss and damage. Advangen filed a cross claim for payments made for services not provided or not properly provided by Ikon, plus other loss it says it suffered by reason of Ikon's conduct and submitted evidence, including expert evidence, to that effect during the reporting period. The proceedings (Ikon's claim and Advangen's cross claim) are listed for hearing in the New South Wales Supreme Court commencing on 10 September 2018.

CELLMID LIMITED

ABN 69 111 304 119

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 (Restated) $
Sales Revenue	1	5,647,930	4,496,338
Other revenue	1	112,239	226,268
Other income	1	1,074,755	837,515
		6,834,924	5,560,121
Less Expenditure			
Manufacturing sales expense		(2,169,844)	(2,118,717)
Advertisement and marketing expense		(957,524)	(1,528,636)
Bad debts expense		(35,514)	(8,485)
Consultancy expense		(488,298)	(523,800)
Conference and meetings expense		(88,811)	(166,011)
Communication expense		(74,465)	(60,175)
Depreciation and amortisation expense		(187,538)	(168,523)
Employee benefits expense		(3,262,667)	(2,540,540)
Finance costs		(473,274)	(291,173)
Loss on foreign exchange		-	(61,636)
Occupancy expense		(295,911)	(223,350)
Professional fees		(129,589)	(599,096)
Research and development expense		(598,480)	(599,605)
Share-based compensation		(111,490)	(16,107)
Subscription expense		(109,583)	(87,251)
Travel expense		(385,286)	(388,646)
Other expenses		(1,196,835)	(625,046)
Loss before income tax expense	2	**(3,730,185)**	**(4,446,676)**
Income tax expense		(2,430)	(35,597)
Loss for the year after income tax		**(3,732,615)**	**(4,482,273)**
Other comprehensive income, net of income tax			
Items that will be reclassified to profit or loss when specific conditions are met			
Exchange differences on translating foreign controlled entities		106,223	(279,381)
Total comprehensive income for the year		**(3,626,392)**	**(4,761,654)**
Loss for the year attributable to:			
Owners of Cellmid Limited		**(3,732,615)**	**(4,482,273)**
Total comprehensive income for the year attributable to:			
Owners of Cellmid Limited		**(3,626,392)**	**(4,761,654)**
Earnings per share for loss attributable to the owners of Cellmid Limited			
Basic earnings per share (cents)		(6.74)	(8.79)
Diluted earnings per share (cents)		(6.74)	(8.79)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CELLMID LIMITED

ABN 69 111 304 119

Consolidated Statement of Financial Position
As at 30 June 2018

	Note	2018	2017 (Restated)	1 July 2016 (Restated)
		Consolidated		
		$	**$**	**$**
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents		1,607,783	3,994,641	2,686,329
Trade and other receivables		1,031,346	378,284	298,339
Inventories		1,180,731	1,079,323	1,009,792
Other assets		339,223	110,054	136,644
TOTAL CURRENT ASSETS		4,159,083	5,562,302	4,131,104
NON-CURRENT ASSETS				
Plant and equipment	3	770,990	744,704	757,137
Intangible assets	4	1,818,504	1,841,385	2,214,693
TOTAL NON-CURRENT ASSETS		2,589,494	2,586,089	2,971,830
TOTAL ASSETS		6,748,577	8,148,391	7,102,938
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	5	1,539,742	1,613,668	1,434,443
Loans and borrowings	6	2,007,427	1,840,533	802,177
Employee provisions		175,345	306,755	223,001
TOTAL CURRENT LIABILITIES		3,722,514	3,760,956	2,459,621
NON-CURRENT LIABILITIES				
Loans and borrowings	6	1,166,447	314,572	196,807
Employee provisions		4,444	1,837	68,336
TOTAL NON-CURRENT LIABILITIES		1,170,891	316,409	265,143
TOTAL LIABILITIES		**4,893,405**	**4,077,365**	**2,724,764**
NET ASSETS		**1,855,172**	**4,071,026**	**4,378,170**
EQUITY				
Issued capital	7	38,014,079	36,715,031	32,426,826
Reserves	8	2,595,360	2,377,647	2,542,799
Accumulated losses		(38,754,267)	(35,021,652)	(30,591,455)
TOTAL EQUITY		**1,855,172**	**4,071,026**	**4,378,170**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2018

	Note	Issued Capital $	General Reserve $	Share Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2017		**36,715,031**	**18,258**	**2,053,007**	**306,382**	**(35,021,652)**	**4,071,026**
Loss for the year after income tax		-	-	-	-	(3,732,615)	(3,732,615)
Other comprehensive income		-	-	-	106,223	-	(106,223)
Total comprehensive income for the year, net of tax		**-**	**-**	**-**	**106,223**	**(3,732,615)**	**(3,626,392)**
Transactions with equity holders							
Share based payments		-	-	111,490	-	-	**111,490**
Shares issued during the year - net of transaction costs (Cash)		1,299,048	-	-	-	-	**1,299,048**
Balance at 30 June 2018		**38,014,079**	**18,258**	**2,164,497**	**412,605**	**(38,754,267)**	**1,855,172**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2018

	Note	Issued Capital $	General Reserve $	Share Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2016		**32,426,826**	**(79,864)**	**2,036,900**	**585,763**	**(30,279,575)**	**4,690,050**
Prior period error	10					(311,880)	(311,880)
Balance at 1 July 2016 (Restated)		**32,426,826**	**(79,864)**	**2,036,900**	**585,763**	**(30,591,455)**	**4,378,170**
Prior period error						(12,137)	(12,137)
Loss for the year after income tax		-	-	-	-	(4,470,136)	(4,470,136)
Other comprehensive income		**-**	**-**	**-**	(279,381)	**-**	(279,381)
Total comprehensive income for the year, net of tax (Restated)		**-**	**-**	**-**	**(279,381)**	**(4,482,273)**	**(4,761,654)**
Transactions with equity holders							
Share based payments		-	-	16,107	**-**	**-**	**16,107**
Shares issued during the year - net of transaction costs (Cash)		4,074,104	-	-	**-**	**-**	**4,074,104**
Shares issued during the year - net of transaction costs (Non-Cash)		214,100	-	-	**-**	-	**214,100**
Transfer of Equity value of 2016 loan repaid		-	(52,077)	-	**-**	52,077	**-**
Equity value of loan – net of transaction costs		-	150,199	-	**-**	**-**	**150,199**
Balance at 30 June 2017 (Restated)		**36,715,030**	**18,258**	**2,053,007**	**306,382**	**(35,021,651)**	**4,071,026**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2018

	Note	Consolidated 2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		5,622,189	5,001,390
Payments to suppliers and employees		(10,646,017)	(9,823,291)
Interest received		33,599	56,956
Grant income		1,056,963	831,408
Finance costs		(465,491)	(126,982)
Net cash used in operating activities		(4,398,757)	(4,060,519)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of non-current assets		(214,094)	(35,877)
Net cash used in investing activities		(214,094)	(35,877)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares (net of share issue costs)		1,299,048	4,074,104
Proceeds from Loans and borrowings		890,630	1,867,960
Repayments of Loans and borrowings		-	(498,277)
Net cash provided by financing activities		2,189,678	5,443,787
Net increase/(decrease) in cash and cash equivalents held		(2,423,173)	1,347,391
Cash and cash equivalents at beginning of financial year		3,994,641	2,686,329
Effect of exchange rate changes		36,315	(39,079)
Cash and cash equivalents at end of financial year		**1,607,783**	**3,994,641**

The above Statement of Cashflows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
For the Year Ended 30 June 2018

1. REVENUE AND OTHER INCOME

	2018 $	2017 $
Revenue:		
- Consumer health and sale of products	5,647,930	4,496,338
Other revenue:		
- interest received	33,599	56,956
- licence fees and royalties	64,252	147,520
- other revenue	14,388	21,792
	112,239	226,268
Total Revenue	**5,760,169**	**4,722,606**

Other income:		
- Government grants	1,056,963	831,408
- Loss on foreign exchange	16,972	-
- Other income	820	6,107
Total other income	**1,074,755**	**837,515**

2. LOSS FOR THE YEAR

Loss before income tax includes the following specific expenses:

Manufacturing sales expense	(2,169,844)	(2,118,717)
Finance costs	(473,274)	(291,173)
Defined contribution superannuation expense	(240,030)	(188,938)
Loss on foreign exchange	-	(61,636)
Rental expense on leased premises	(281,468)	(223,350)
Depreciation and amortisation expense	(187,538)	(168,523)
Research and development expense	(598,480)	(599,605)

Notes to the Financial Statements
For the Year Ended 30 June 2018

3. PLANT AND EQUIPMENT

	2018 $	2017 (Restated) $	1 July 2016 (Restated) $
At cost	1,614,734	1,507,567	1,203,837
Accumulated depreciation and foreign exchange movements	(834,744)	(762,863)	(446,700)
	770,990	**744,704**	**757,137**

Movements in carrying amounts of plant and equipment

	Computers and office equipment	Furniture and Fittings	Midkine	Total
2018				
At cost	572,436	42,298	1,000,000	1,614,734
Accumulated depreciation and foreign exchange movements	(464,759)	(32,221)	(346,764)	(843,744)
	107,677	**10,077**	**653,236**	**770,990**
Balance at 1 July 2017	55,945	12,777	675,982	744,704
Additions	107,167	-	-	107,167
Depreciation	(55,435)	(2,700)	(22,746)	(80,881)
Foreign exchange movements	-			
Balance at 30 June 2018	**107,677**	**10,077**	**653,236**	**770,990**
2017 (Restated)				
At cost	465,269	42,298	1,000,000	1,507,567
Accumulated depreciation and foreign exchange movements	(409,325)	(29,521)	(324,017)	(762,863)
	55,944	**12,777**	**675,983**	**744,704**
Balance at 1 July 2016	67,069	1,948	-	69,017
Prior period error	-	-	688,120	688,120
Balance at 1 July 2016 (Restated)	**67,069**	**1,948**	**688,120**	**757,137**
Additions	23,314	11,637	-	34,951
Depreciation	(34,439)	(808)	-	(35,247)
Foreign exchange movements	-	-	-	-
Midkine COS-Prior period error			(12,137)	(12,137)
Balance at 30 June 2017(Restated)	**55,944**	12,**777**	**675,983**	**744,704**

Notes to the Financial Statements
For the Year Ended 30 June 2018

4. INTANGIBLE ASSETS

	2018 $	2017 $
Patents and trademarks		
At cost	2,424,193	2,301,371
Accumulated amortisation and foreign exchange movements	(605,689)	(459,986)
	1,818,504	**1,841,385**

5. TRADE AND OTHER PAYABLES

Trade payables	603,759	680,822
Other payables	935,983	932,846
	1,539,742	**1,613,668**

6. LOANS AND BORROWINGS

Current	2,007,427	1,840,533
Non-current	1,166,447	314,572
	3,173,874	**2,155,105**

(a) Non-Derivative

Current	1,460	56,711
Non-current	1,166,447	314,572
	1,167,907	**371,283**

Notes to the Financial Statements
For the Year Ended 30 June 2018

6. LOANS AND BORROWINGS (CONTINUED)

(b) Compound

	2018 $	2017 $
Current	2,005,967	1,783,822
Non-current	-	-
	2,005,967	**1,783,822**

7. ISSUED CAPITAL

	2018 No.	2017 No.	2018 $	2017 $
At the beginning of the year	1,072,456,303	928,500,508	36,715,031	31,794,565
Shares buyback and cancellation	(4,000,000)	-	-	-
20 to 1 shares consolidation on 23 November 2017	(1,015,033,419)	-	-	-
Shares issued – private placement	3,489,473	143,955,795	1,326,000	5,036,921
Transaction costs	-	-	(26,952)	(116,455)
	56,912,357	1,072,456,303	38,014,079	36,715,031

8. RESERVES

	2018 $	2017 $
Share based payments reserve		
Balance at the beginning of the year	2,053,007	2,036,900
Share based payments expense	111,490	16,107
Balance at the end of the year	**2,164,497**	**2,053,007**
General reserve		
Balance at the beginning of the year	18,258	(79,864)
Transfer of Equity value of 2016 loan repaid	-	(52,077)
Equity value of loan - net of transaction costs	-	150,199
Balance at the end of the year	**18,258**	**18,258**
Foreign currency translation reserve		
Balance at the beginning of the year	306,382	585,763
Foreign exchange movements	106,223	(279,381)
Balance at the end of the year	**412,605**	**306,382**
Total reserves	**2,595,360**	**2,377,647**

Notes to the Financial Statements
For the Year Ended 30 June 2018

10. CORRECTION OF PRIOR PERIOD ERROR

The company undertook a review of the reporting of its Midkine inventories during the period based on the anticipated future use and related time periods. As a result of this review the company has applied some consumption to prior periods and reclassified the Midkine inventories from current assets to property, plant and equipment. This reclassification better reflects the anticipated future utilisation of the company's Midkine assets. This review has impacted prior periods and the relevant financial line items affected are as follows;

	30 June 2017			30 June 2016		
Statement of financial position (extract)	**Previous amount**	**Adjustment**	**Restated amount**	**Previous amount**	**Adjustment**	**Restated amount**
Inventories	2,079,323	(1,000,000)	1,079,323	2,009,792	(1,000,000)	1,009,792
Total current assets	6,562,302	(1,000,000)	5,562,302	5,131,104	(1,000,000)	4,131,104
Plant and equipment	68,722	675,982	744,704	69,017	688,120	757,137
Total non-current assets	1,910,107	675,982	2,586,089	2,283,710	688,120	2,971,830
Total assets	8,472,409	(324,018)	8,148,388	7,414,814	(311,880)	7,102,938
Accumulated losses	(34,697,634)	(324,018)	(35,021,652)	(30,279,575)	(311,880)	(30,591,455)
Total equity	4,395,044	(324,018)	4,071,026	4,690,050	(311,880)	4,378,170

	30 June 2017		
Statement of profit or loss and other comprehensive income (extract)	**Previous amount**	**Adjustment**	**Restated amount**
Depreciation and amortisation expense	(156,386)	(12,137)	(168,523)
Loss before income tax	(4,434,539)	(12,137)	(4,446,676)
Loss for the half year after income tax	(4,470,136)	(12,137)	(4,482,273)
Total comprehensive income for the year	(4,749,517)	(12,137)	(4,761,654)
Loss for the year is attributable to:			
Owners of Cellmid Limited	(4,470,136)	(12,137)	(4,482,273)
Total comprehensive income for the half year attributable to:			
Owners of Cellmid Limited	(4,749,517)	(12,137)	(4,761,654)
Earnings per share for loss attributable to the owners of Cellmid Limited:			
Basic earnings per share (cents)	(8.79)	0.00	(8.79)
Diluted earnings per share (cents)	(8.79)	0.00	(8.79)

9. EVENTS AFTER THE REPORTING PERIOD

On 31 July 2018 the Group completed a private placement of shares to sophisticated and institutional investors and received firm commitments for $9 million equity funding. Approximately $7.2 million of this funding is subject to shareholders' approval. The Group called a general meeting of the shareholders to be held on 7 September 2018.

On 31 July 2018 the company announced a Share Purchase Plan (SPP) to the amount of $1 million. The SPP will close on 30 August 2018.

Additional Information

For the Year Ended 30 June 2018

1. **DETAILS OF CONTROLLED ENTITIES**
   During the financial year ended 30 June 2018, no new subsidiaries were acquired.

2. **DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES**
   The Group has no associates or joint venture entities.

3. **DIVIDEND/ RETURN OF CAPITAL**
   No dividends were paid or proposed for the years ended 30 June 2018 and 30 June 2017. There is no Dividend Reinvestment Plan in operation.

4. **ACCOUNTING STANDARDS**
   Australian Accounting Standards and International Financial Reporting Standards have been used in preparing the information contained in Appendix 4E.

5. **SIGNIFICANT ACCOUNTING POLICIES**
   Accounting policies, estimation methods and measurement bases used in Appendix 4E are the same as those used in the last annual report and the last half-year report.

6. **CONTINGENCIES**
   The Group contingencies are broadly in line with those disclosed in the last annual report.

7. **OTHER INFORMATION REGARDING THE PRELIMINARY REPORT**
   The information contained in this Appendix 4E is based on accounts that have not yet been audited.

8. **COMPARATIVE INFORMATION**
   The comparative financial information has been presented on a consistent basis with the prior year's audited financial Statements.

9. **OTHER SIGNIFICANT INFORMATION**
   There is no other significant information requiring disclosure in the preliminary report.