

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

STEMCELL UNITED LIMITED

ABN

57 009 104 330

Quarter ended ("current quarter")

30 September 2018

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--|------------------------------------|---|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 264 | 264 |
| 1.2 Payments for | | |
| (a) research and development | - | - |
| (b) product manufacturing and operating costs | (345) | (345) |
| (c) advertising and marketing | - | - |
| (d) leased assets | (5) | (5) |
| (e) staff costs | (97) | (97) |
| (f) administration and corporate costs | (202) | (208) |
| 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 | - | - |
| 1.8 Other – payment to HFIH per cooperation agreement as announced on 6 April 2018 | - | - |
| 1.9 Net cash from / (used in) operating activities | (385) | (385) |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|----------------------------|--|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | - | - |
| (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) | - | - |
| 2.6 Net cash from / (used in) investing activities | - | - |

| | | |
|---|----------|----------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of shares | - | - |
| 3.2 Proceeds from issue of convertible notes | - | - |
| 3.3 Proceeds from exercise of share options | - | - |
| 3.4 Transaction costs related to issues of shares, convertible notes or options | - | - |
| 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) | - | - |
| 3.10 Net cash from / (used in) financing activities | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|--|------------------------------------|---|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of quarter/year to date | 1,086 | 1,086 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (385) | (385) |
| 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 | 4 | 4 |
| 4.6 | Cash and cash equivalents at end of quarter | 705 | 705 |

| 5. Reconciliation of cash and cash equivalents | | Current quarter \$A'000 | Previous quarter \$A'000 |
|---|--|------------------------------------|-------------------------------------|
| at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | | | |
| 5.1 | Bank balances | 705 | 1,086 |
| 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) | 705 | 1,086 |

| 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 | 87 |
| 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 | |

Payment of director remunerations and corporate services

| 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 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. | | |
| - | | |

| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|--------------|
| 9.1 Research and development | - |
| 9.2 Product manufacturing and operating costs | 200 |
| 9.3 Advertising and marketing | 10 |
| 9.4 Leased assets | 15 |
| 9.5 Staff costs | 100 |
| 9.6 Administration and corporate costs | 125 |
| Total estimated cash outflows without acquisition | 450 |
| 9.7 Other (provide details if material) - Acquisition of Yunnan Huafang Industrial Hemp Co Ltd (subject to submission to ASX as to the application of Listing Rule 11.1.2 and 11.1.3) | *760 |
| 9.8 Total estimated cash outflows | 1,210 |

* the \$A760K is only payable upon acquisition of Yunnan Huafang Industrial Hemp Co Ltd, which is subject to submission to ASX as to the application of Listing Rule 11.1.2 and 11.1.3.

