

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

**Sun Biomedical Limited**

ABN

**18 001 285 230**

Quarter ended ("current quarter")

**30 September 2015**

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter	Year to date (3 months)
	\$A'000	\$A'000
1.1 Receipts from customers	-	-
1.2 Payments for:		
(a) staff costs	(11)	(11)
(b) business development	-	-
(c) research and development	(118)	(118)
(d) commercialisation	(1)	(1)
(e) other working capital	(288)	(288)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	13	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>(405)</b>	<b>(405)</b>

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	(405)	(405)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Payment for term deposit	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	-	-
<b>1.14 Total operating and investing cash flows</b>	(405)	(405)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
<b>Net financing cash flows</b>	-	-
<b>Net increase (decrease) in cash held</b>	(405)	(405)
1.21 Cash at beginning of quarter/year to date	3,418	3,418
1.22 Exchange rate adjustments to item 1.21	-	-
<b>1.23 Cash at end of quarter</b>	<b>3,013</b>	<b>3,013</b>

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	84
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Directors' fees, salaries including superannuation benefits and corporate secretarial fees. All payments are on normal commercial terms.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

*Refer to Item 5.3 below*

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	N/A	N/A
3.2	Credit standby arrangements	N/A	N/A

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	10	2
4.2 Deposits at call	3,003	1,903
4.3 Bank overdraft		-
4.4 Other	-	1,006
<b>Total: cash at end of quarter</b> (item 1.23)	<b>3,013</b>	<b>2,911</b>

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	Dimerix Bioscience Ltd (“Dimerix”)	N/A
5.2 Place of incorporation or registration	Melbourne, Australia	N/A
5.3 Consideration for acquisition or disposal	Refer to note (i) below	N/A
5.4 Total net assets	\$655,784	N/A
5.5 Nature of business	Clinical stage drug discovery and development	N/A

(i) On 3 July 2015, the following securities were issued as consideration for the acquisition of 100% of the issued shares in Dimerix:

- 750,000,041 fully paid ordinary shares in Sun Biomedical Limited;
- 30,851,594 management options exercisable at \$0.02 on or before 30 June 2017;
- 75,000,040 Class A Performance Shares;
- 75,000,040 Class B Performance Shares;
- 75,000,040 Class C Performance Shares.

The Class A, B and C Performance Shares convert to fully paid ordinary shares on a 1 for 1 ratio upon satisfaction of the following performance milestones:

- Class A Performance Shares are convertible upon receipt by the Company of a notice of allowance from the US Patent and Trademark Office in relation to the US patent application number 13/979,127 (or any divisional or continuation thereof), within 24 months of Completion of the acquisition of Dimerix on 3 July 2015 (“Acquisition”).

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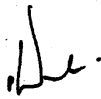
- *Class B Performance Shares are convertible upon the Board making an investment decision to proceed to file an application to the US FDA for a pre-IND meeting to progress the development of DMX200 following receipt of data generated under the current clinical trial for chronic kidney disease supporting further progression of the technology within 48 months of completion of the Acquisition.; and.*
- *Class C Performance Shares are convertible upon receipt of ethics approval allowing commencement of a second clinical trial derived from the Dimerix platform and in relation to an indication that is not covered under the existing Austin Human Research Ethics Committee approval within 48 months of completion of the Acquisition.*

*No Performance Shares were converted or cancelled during the quarter.*

*No Performance Share milestones were met during the quarter.*

### **Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: \_\_\_\_\_

Date: 27 October 2015

Print name: Peter Webse  
*(Company Secretary)*

### **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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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