

## ASX ANNOUNCEMENT

### NOTES TO APPENDIX 4C

**SYDNEY, Wednesday, 29 October 2014: Cellmid Limited (ASX: CDY)** provides the following comments in relation to the attached Appendix 4C form:

#### **R&D Tax credit**

Cellmid is expected to receive approximately \$950,000 refund in November under the Federal Government's R&D Tax Incentive Scheme. The tax refund relates to the cost of research and development conducted by the Company on its midkine technology portfolio during the 2014 financial year and was calculated as 45% of eligible expenditure. It does not include R&D tax credit for research in Advangen, the company's consumer health division.

#### **Consumer health division**

The consumer health business continued to perform to expectations during the quarter. Receipt from customers did not include any proceeds from the Company's Chinese distribution. As previously foreshadowed, the existing product range in Japan is being phased out and a new product line is prepared for launch in November 2014.

In Australia our salon sales strategy, which started in March 2014, is continuing to show solid results. In addition to New South Wales a sales team has been recruited for Queensland. Planning is underway to include other states after sales training for the Queensland team. The Company is actively pursuing distribution arrangements in other countries and will report on any progress in due course.

#### **Research and development costs**

Direct research and development cash outflows continued to increase to \$556,000, not including employee costs indirectly involved with these activities. This has accounted for a significant portion of the Company's cash requirements consistent with our focus on preparations for the CAB102 clinical trial. Notable progress has been made in this program as a result and the Company is on track to engage contractors in relation to its planned clinical studies.

End

Contact:

Maria Halasz, CEO

T +612 9221 6830



@mariahalas

# 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

Cellmid Limited

ABN

69 111 304 119

Quarter ended ("current quarter")

30 September 2014

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months \$A'000
1.1	Receipts from customers	244	244
1.2	Payments for (a) staff costs	(452)	(452)
	(b) advertising and	(52)	(52)
	marketing		
	(c) research and	(556)	(556)
	development		
	(d) leased assets	0	0
	(e) other working capital	(124)	(124)
1.3	Dividends received	0	0
1.4	Interest and other items of a similar nature received	10	10
1.5	Interest and other costs of finance paid	(2)	(2)
1.6	Income taxes refunded (paid)	0	0
1.7	Other (Export Market Development Grant)	0	0
<b>Net operating cash flows</b>		<b>(932)</b>	<b>(932)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(932)	(932)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	0	0
(b) equity investments	0	0
(c) intellectual property	0	0
(d) physical non-current assets	(1)	(1)
(e) other non-current assets	0	0
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	0	0
(b) equity investments	0	0
(c) intellectual property	0	0
(d) physical non-current assets	0	0
(e) other non-current assets	0	0
1.11 Loans to other entities	0	0
1.12 Loans repaid by other entities	0	0
1.13 Other (provide details if material)	0	0
<b>Net investing cash flows</b>	(1)	(1)
<b>1.14 Total operating and investing cash flows</b>	(933)	(933)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	0	0
1.16 Proceeds from sale of forfeited shares	0	0
1.17 Proceeds from borrowings	0	0
1.18 Repayment of borrowings	0	0
1.19 Dividends paid	0	0
1.20 Other (provide details if material)	0	0
<b>Net financing cash flows</b>	0	0
<b>Net increase (decrease) in cash held</b>		
1.21 Cash at beginning of quarter/year to date	2,495	2,495
1.22 Exchange rate adjustments to all items up to 1.20	9	9
<b>1.23 Cash at end of quarter</b>	1,571	1,571

+ 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	155
1.25	Aggregate amount of loans to the parties included in item 1.11	0
1.26	Explanation necessary for an understanding of the transactions The amount disclosed is all payments made to directors and related parties in the quarter. The full amount is included in the total at 1.2(a).	

## 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	n/a
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	NIL

## 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
3.2	Credit standby arrangements	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	1,571	2,495
4.2	Deposits at call	0	0
4.3	Bank overdraft	0	0
4.4	Other (provide details)	0	0
<b>Total: cash at end of quarter (item 1.23)</b>		<b>1,571</b>	<b>2,495</b>

## Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	n/a	n/a
5.2	Place of incorporation or registration	n/a	n/a
5.3	Consideration for acquisition or disposal	n/a	n/a
5.4	Total net assets	n/a	n/a
5.5	Nature of business	n/a	n/a

## 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: 29/10/2014  
 Company secretary

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Print name: Nicholas Falzon

## 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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