

**ASX Announcement**

24 April 2023

## APPENDIX 4C – MARCH 2023 QUARTERLY ACTIVITIES REPORT

- **Further large study confirms efficacy of BCAL test**
- **Laboratory fit-out completed, operational commissioning early May following testing**
- **Progress on assessing development partners in US**
- **Expenditure compared with prospectus reflects acceleration of activity**
- **Cash at 31 March 2023 – \$5.2 million**

Breast cancer screening and diagnostic company BCAL Diagnostics Limited (ASX:BDX, 'BCAL' or the 'Company') is pleased to present its quarterly activities report for the quarter ended 31 March 2023.

BCAL is developing a blood-based test for screening for breast cancer in its early stages. The test is based on disease-associated changes in the profile of lipids (fats) found in blood. BCAL's breast cancer test (BCAL Dx) has consistently shown high sensitivity and specificity in identifying patients and will supplement mammography, the current primary method for breast cancer screening. Market intelligence currently shows up to 50% of women do not get mammography, where sensitivity and specificity varies dramatically by radiologist and by women's physiology, and which is less effective in detecting disease in the early stage and younger women. BCAL continues to work with leading breast cancer radiologists, surgeons and oncologists to guide the development and commercial strategy for the breast cancer blood test.

### *Further advances in commercialising test*

BCAL undertook analysis of a further 550 samples during the quarter, using a more diverse data set and Artificial Intelligence (AI) and Machine Learning (ML) techniques to identify the optimal lipid signature. The results confirmed that of an earlier study of 250 samples, with the studies in aggregate now showing Sensitivity of 90% and Specificity 85.5%.

It is anticipated that BCAL's blood test for breast cancer (BCAL Dx) should be clinically available in 2024.

BCAL's US development partner Precion Inc. are in the process of completing the development of the final analytical method and analysis of over 600 patient plasma samples using their Triple Quadrupole Mass Spectrometer (QQQ), with a final report expected in June 2023. The BCAL laboratory has an Exploris Orbitrap 240 Mass Spectrometer installed and under test but will also have on loan a QQQ to enable benchmarking against Precion results and facilitate method transfer to the BCAL laboratory.

BCAL has had a poster accepted for presentation at the American Society for Clinical Oncology (ASCO) annual meeting in Chicago in early June. This poster will be presenting the new data showing the lipid signature indicative of breast cancer is confirmed using whole patient plasma. This is a key step in making the BCAL method compatible with commercialisation needs.

### *BCAL development and clinical service laboratory*

The BCAL development and clinical service laboratory fit-out is now complete. All operational equipment is currently being tested with the laboratory expected to be commissioned and operational in early May 2023.

BCAL's first commercial milestone is for its breast cancer blood test to be available to the medical community as an additional tool to facilitate clinical decisions by the physician, in Australia. Patient samples will be collected and forwarded to the BCAL laboratory where they will be tested for the proprietary BCAL lipid signature that is indicative for breast cancer. The data will be analysed by software and embedded algorithms, Clinical Decision Support Software, which will be locked in Q1 CY2024.

Our Director of Clinical Services, Kathy Koskiris, attended the annual meeting on Mass Spectrometry and Advances in the Clinical Laboratory (MSACL) in Monterey CA then spent time with Precion staff in North Carolina planning the transition of the BCAL analytical assay from Precion to the new BCAL Laboratory.

Significant effort during the quarter has been expended in upskilling of BCAL laboratory personnel at similar commercial laboratories in the US, set up of Laboratory Information Systems, quality control and occupational health & safety related policies, and supporting information technology network and infrastructure.

#### Partner Development

BCAL is continuing to meet with and assess potential partners in the US to further the commercialisation of the BCAL test and take the test to the US market. The preferred partners of BCAL would have the ability to:

- Secure additional samples needed for analytical validation studies
- Provide the partners current commercial tests through the BCAL laboratory
- Provide the BCAL test in their current patient assessments
- Analyse and publish the results of BCAL's research and development
- Provide access to significant historical data on large numbers of breast cancer patients.

#### Financial performance

Operating cash outflows for the quarter amounted to \$1.586m. Cash on hand as at 31 March 2023 is \$5.2m. A comparison of the cash flow for the year ended 30 June 2023 with the "use of funds" in year 2 as per the Prospectus lodged with the ASX on 19 July 2021 (and as adjusted for a \$10m IPO capital raise), is as follows:

	<b>FY 2022 Prospectus Year 1</b>	<b>Cash Outflow Year 1</b>	<b>FY 2023 Prospectus Year 2</b>	<b>Cash Outflow Q1,2&amp;3 Year 2</b>
Clinical development	2,250,000	1,549,000	2,650,000	3,522,000
Commercial and product development	600,000	372,000	800,000	474,000
Algorithm development and validation	200,000	20,000	100,000	86,000
Regulatory and intellectual property management	250,000	259,000	250,000	192,000
Working capital	1,000,000	1,149,000	1,000,000	945,000
Expenses of the offer	900,000	807,121	-	-
R&D tax offset received	-	(289,142)	-	(876,000)
	<b>5,200,000</b>	<b>3,866,979</b>	<b>4,800,000</b>	<b>4,344,000</b>

Expenditure in the first three quarters of FY2023 (year 2 vs prospectus) reflects an acceleration of activity as the Company targets the release of the BCAL blood test for breast cancer. The acceleration in the US is particularly important given the size of the market and the diversity of the population. The early commitment to the laboratory in Australia has also contributed to increased cost.

Expenditure in the first twelve months to 30 June 2022 (year 1 vs prospectus) was in line with expectations. Expenses associated with the offer were booked in the first quarter following ASX listing on 21 July 2021, with part of these costs having been prepaid in the 2021 financial year.

Use of funds per the prospectus are on an accrual basis whereas the Appendix 4C cash flow report is on a cash basis.

Fees paid to directors for the quarter, being salary, superannuation and consulting fees, amounted to \$98,000.

This ASX Quarterly Activities Report has been approved for release by the Board of BCAL Diagnostics Limited.

#### ENDS

**Jayne Shaw**  
 Executive Chair  
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**Guy Robertson**  
 Chief Financial Officer  
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## About BCAL Diagnostics

BCAL Diagnostics Limited is an Australian screening and diagnostic company committed to the early, accurate diagnosis of breast cancer, and therefore early intervention and improved outcomes for women. Over the past decade BCAL has developed a non-invasive blood test for the detection of breast cancer, with results to date demonstrating 91% sensitivity and 80% specificity. The test is initially designed to complement current imaging technologies, such as the mammogram, with the aim of becoming a monitoring and screening tool suitable for women of all ages and backgrounds in any location. With more than two million new cases of breast cancer diagnosed globally each year, a substantial opportunity exists for BCAL to improve patient outcomes. BCAL has partnered with Precion Inc. to optimise protocols and procedures for the clinical studies required for regulatory approvals across several jurisdictions, commercialisation and market entry points.

Founded in 2010, BCAL is headquartered in Sydney and listed on the Australian Securities Exchange (ASX:BDX). For more information: <https://www.bcaldiagnostics.com/>

## About Precion Inc

Precision applies mass spectrometry technology to develop and provide targeted metabolite panels for profiling various chronic disease conditions and associated health areas for clinical research. Precision offers development of diagnostics and precision medicine assay formats for downstream applications. Our testing services for commercial and research customers provides data for various sample types and project objectives. We offer a range of targeted panels as well as custom developed panels for partners with specific clinical objectives. For more information: <https://www.precion.com/>

## Appendix 4C

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

**Name of entity**

BCAL Diagnostics Limited

**ABN**

97 084 464 193

**Quarter ended ("current quarter")**

31 March 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(1,315)	(4,216)
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs (non R&D)	(146)	(305)
(f) administration and corporate costs	(127)	(695)
1.3 Dividends received (see note 3)		
1.4 Interest received	27	58
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material) R& D Tax Offset		876
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,561)</b>	<b>(4,282)</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	(20)	(59)
(d) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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 Net cash from / (used in) investing activities</b>	<b>(20)</b>	<b>(59)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
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		
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)		
<b>3.10 Net cash from / (used in) financing activities</b>		

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	6,811	9,571
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,561)	(4,282)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(20)	(59)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>5,230</b>	<b>5,230</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	1,210	791
5.2	Call deposits	4,020	6,020
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>5,230</b>	<b>6,811</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	98
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

## 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 Other (please specify)		
7.4 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</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.		

<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)	(1,561)
8.2 Cash and cash equivalents at quarter end (item 4.6)	5,230
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	5,230
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	3.4
<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: 24 April 2023.....

Authorised by: The Board.....  
(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.