

Appendix 4C

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

Name of entity

Bod Science Limited

ABN

89 601 225 441

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter	Year to date (3 months)
	\$A'000	\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	499	499
1.2 Payments for		
(a) research and development	(837)	(837)
(b) product manufacturing and operating costs	(331)	(331)
(c) advertising and marketing	(154)	(154)
(d) leased assets	-	-
(e) staff costs	(714)	(714)
(f) administration and corporate costs	(384)	(384)
1.3 Dividends received	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(1,918)	(1,918)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(63)	(63)
(d) investments	-	-
(e) intellectual property	(38)	(38)

Consolidated statement of cash flows		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
	(f) other non-current assets ¹	(1,917)	(1,917)
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	-	-
2.5	Other ²	130	130
2.6	Net cash from / (used in) investing activities	(1,888)	(1,888)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,780	1,780
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	(104)	(104)
3.5	Proceeds from borrowings	184	184
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(1)	(1)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,859	1,859

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,031	2,031
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,918)	(1,918)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,888)	(1,888)

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Consolidated statement of cash flows		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,859	1,859
4.5	Effect of movement in exchange rates on cash held	31	31
4.6	Cash and cash equivalents at end of period	115	115

5.	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
		\$A'000	\$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	115	115
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)	115	115

6.	Payments to related parties of the entity and their associates	Current quarter
		\$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1: <ul style="list-style-type: none"> • Salaries/fees paid to directors • Retainer paid to a director for commercial support in contract negotiations • Legal fees paid to an associate of a director • Cost of printing materials paid to an associate of a director 	123 20 11 8
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>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.</i></p>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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	1,189	1,189
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	1,189	1,189
7.5 Unused financing facilities available at quarter end		-
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.		
<p>Bod Science has loan facilities of \$480k (annual interest rate 16%) and \$522k (annual interest rate 15%) and a further loan facility of \$187k established during the quarter (annual interest rate 15%) with Radium Capital, which provides early access to a portion of Bod Science's FY23 R&D tax incentive rebate. The loans are secured by a featherweight security agreement over the FY23 tax incentive rebate from the ATO and are repayable 31 December 2023. The loans may be extended by 30 days on two separate occasions at the discretion of the lender if, against expectation, there are delays in the receipt of the tax incentive rebate from the ATO.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,918)
8.2 Cash and cash equivalents at quarter end (item 4.6)	115
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	115
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.06
<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?	
<p>Answer: Research and development payments will decrease substantially after the December 2023 quarter as the company's two main clinical trials conclude. In addition, the company expects to receive its research and development tax incentive of ~\$2.0m (~\$0.8m net of repayment of Radium Capital loan) during the December 2023 quarter. The Company is also launching new revenue opportunities during the December 2023 quarter which, if successful, will reduce the level of net operating outflows from the March 2024 quarter onwards.</p>	
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?	
<p>Answer: The Company intends to announce a capital raising in November with funds expected to be received by the Company in early November.</p>	

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: Yes, on the basis of additional funding secured through the capital raising and the expected receipt of its FY23 research and development tax incentive during the December 2023 quarter (net of repayment of Radium Capital loan).

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.

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: 31 October 2023

Authorised by: **The Board of Directors of Bod Science Limited**

Notes

1. The payment of £985k (\$1,917k) for other non-current assets in section 2.1(f) relates to the completion of the acquisition of an invention known as "Aqua Phase" and related assets (Invention). The company now holds the rights to use the Invention, together with all intellectual property (including a patent application), confidential information, records, goodwill and the right to use the name "Aqua Phase" going forward. Total consideration for the acquisition of Aqua Phase was £1,000k but the amount paid in cash was reduced by a loan of £15k previously provided to one of the inventors.
2. Net cash inflow of \$130k in section 2.6 Other cash from investing activities relates to the reimbursement by the landlord of the company's new office premises for fixtures, fittings and office equipment purchased by the company during the June 2023 and September 2023 quarters, under the terms of the lease agreement.