

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 June 2023

Consolidated statement of cash flows	Current quarter	Year to date (12 months)
	\$A'000	\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers ¹	406	2,175
1.2 Payments for		
(a) research and development ²	(788)	(3,198)
(b) product manufacturing and operating costs	(43)	(1,058)
(c) advertising and marketing	(54)	(429)
(d) leased assets	-	-
(e) staff costs ²	(761)	(2,866)
(f) administration and corporate costs ²	(398)	(1,805)
1.3 Dividends received	-	-
1.4 Interest received	8	15
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,513
1.8 Other ¹	-	-
1.9 Net cash from / (used in) operating activities	(1,630)	(5,653)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(64)	(70)
(d) investments	-	-
(e) intellectual property	(3)	(78)

Consolidated statement of cash flows	Current quarter	Year to date (12 months)
	\$A'000	\$A'000
(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	-	-
2.5 Other (rental bond for new lease)	(142)	(142)
2.6 Net cash from / (used in) investing activities	(209)	(290)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,494
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	(22)	(317)
3.5 Proceeds from borrowings	500	938
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	(1)	(2)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	477	4,113

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	3,334	3,666
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,630)	(5,653)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(209)	(290)

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Consolidated statement of cash flows		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	477	4,113
4.5	Effect of movement in exchange rates on cash held	59	195
4.6	Cash and cash equivalents at end of period	2,031	2,031

5. Reconciliation of cash and cash equivalents	Current quarter	Previous quarter	
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000	
5.1	Bank balances	881	3,334
5.2	Call deposits	1,150	-
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)	2,031	3,334

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:	
•	Salaries/fees paid to directors	141
•	Retainer paid to a director for commercial support in contract negotiations	20
•	Legal fees paid to an associate of a director	28
•	Cost of printing materials paid to an associate of a director	2
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.

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	963	963
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	963	963
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.	
	Bod Science has an initial loan facility of \$461k (annual interest rate 16%) and a further loan facility of \$502k 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.	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,630)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,031
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,031
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.25
<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: While net operating cash outflows are unlikely to decrease in Q1 FY24, research and development payments will decrease substantially from Q2 FY24 as two main clinical trials conclude. In addition, the Company expects to receive its research and development tax incentive of ~\$1.9m (~\$0.7m net of repayment of Radium Capital loan) during the December 2023 quarter. The Company is also currently investigating potential new revenue opportunities which, if successful, will reduce the level of net operating outflows.
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: The Company intends to announce a capital raising in August 2023. If successful, the proceeds of the capital raising are expected to be received by the Company during August 2023. The Company has no reason to believe that the intended capital raising will not be successful.

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 intended capital raising (assuming it is successful) and the expected receipt of its FY23 research and development tax incentive during the December 2023 quarter (net of repayment of the 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 July 2023**

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

Notes

1. A receipt of \$17k for customer royalties in Q1 has been reclassified in the 12-month YTD figures from Other cash flows from operating activities to Receipts from customers.
2. Payments made in Q1, Q2 and Q3 have been reclassified in the 12-month YTD figures to ensure consistency of classification throughout the year. The reclassifications resulted in: a \$95k increase in Research and development payments; a \$26k decrease in Staff costs; and a \$69k decrease in Administration and corporate costs.