

Appendix 4C

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

Name of entity

Next Science Limited

ABN

47 622 382 549

Quarter ended ("current quarter")

Mar 2021

Consolidated statement of cash flows	Current quarter \$USD'000	Year to date (3 months) \$USD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,352	3,352
1.2 Payments for		
(a) research and development	(502)	(502)
(b) product manufacturing and operating costs	(482)	(482)
(c) advertising and marketing	(350)	(350)
(d) leased assets	-	-
(e) staff costs	(1,584)	(1,584)
(f) administration and corporate costs	(479)	(479)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	11
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	11	11
1.9 Net cash from / (used in) operating activities	(23)	(23)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(40)	(40)
(d) investments	-	-
(e) intellectual property & intangible assets	(42)	(42)

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (3 months) \$USD'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 (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(82)	(82)

3.	Cash flows from financing activities		
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	35	35
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(5)	(5)
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)	(52)	(52)
3.10	Net cash from / (used in) financing activities	(22)	(22)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	15,339	15,339
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(23)	(23)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(82)	(82)

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (3 months) \$USD'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(22)	(22)
4.5	Effect of movement in exchange rates on cash held	(79)	(79)
4.6	Cash and cash equivalents at end of period	15,133	15,133

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$USD'000	Previous quarter \$USD'000
5.1	Bank balances	6,537	3,864
5.2	Term deposits	8,596	11,475
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)	15,133	15,339

6.	Payments to related parties of the entity and their associates	Current quarter \$USD'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	202
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<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>		

7.	Financing facilities <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>	Total facility amount at quarter end \$USD'000	Amount drawn at quarter end \$USD'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
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.		

8.	Estimated cash available for future operating activities	\$USD'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(23)
8.2	Cash and cash equivalents at quarter end (item 4.6)	15,133
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	15,133
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	658
<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: 13 April 2021

Authorised by: Board of Directors

(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.

APPENDIX I

FX Rate used:
21/2/2019

Apr 2019- Mar 2021

Apr 2019- Mar 2021

0.72

A

B

C=B-A

Table 4: Use of Funds (p.104 of Prospectus)	Use of funds raised under the Offer			Planned Spend	Actual spend	Variance	Notes on material variances (Planned spend in various sectors is weighted towards the first 12 months from listing as expenditure becomes supplemented by increasing revenue receipts over time.)
Categories	AUD\$'000	%	USD\$'000	USD\$'000	USD\$'000	USD\$'000	
Regulatory, research and other employee costs	12,580	36%	9,005	14,459	14,437	(22)	Incorporates all employees including R&D, Operations, Regulatory as well as Sales & Marketing and Administration.
Pharmaceutical product development	5,481	16%	3,923	2,994	390	(2,604)	Pharma projects have been deprioritised as Next Science focuses on the launch of Xperience Surgical Rinse in H1 2021.
Medical device product development	3,896	11%	2,789	5,327	5,519	192	Additional expenditure mainly relates to further costs associated with additional test for Xperience No Rinse Antimicrobial Solution.
Manufacturing validations	2,976	9%	2,130	3,250	775	(2,475)	Phasing of expenditure in manufacturing validation has been impacted by the reprioritisation of the medical device development projects and regulatory approval delays. Other validation projects have been deferred as Next Science consolidates and prioritises its development pipeline.
Clinical Trials	1,348	4%	965	1,472	489	(984)	Covid 19 impacted clinical trials resulting in recruitment delays in existing studies, as well as delays to new studies as Investigator Review Board meetings (where clinical trials are approved) were deferred.
Working capital and operating costs	5,251	15%	3,759	6,854	9,984	3,130	Spend (excluding wages & salaries) includes amounts spent on operating costs, advertising & marketing, admin & corporate costs as well as lease costs.
Interest on Converting Notes	367	1%	263	263	214	(49)	Actual result lower than estimate. Settlement earlier than anticipated.
Offer Costs	3,101	9%	2,220	2,220	2,037	(182)	Offer costs lower than budgeted.
Total	35,000	100%	25,052	36,838	33,844	(2,994)	