

Grant of ASX waiver in connection with Aqua Phase acquisition

Sydney, Australia – 8 March 2023: Cannabis focused drug development and product innovation company Bod Science Limited (“Bod” or “the Company”) (ASX: BOD) is pleased to announce that ASX has granted a waiver of ASX Listing Rule 7.3.4 in order to permit the Company to issue up to 70 million deferred ‘Consideration Shares’ to the vendors of the Aqua Phase invention, Dr Peter Stabler and Mr Gregory Stoloff, more than three months after the issue of the Consideration Shares was approved by Bod shareholders at the 2022 Annual General Meeting.

The 2022 AGM was held on 28 November 2022 and the resolution approving the issue of deferred Consideration Shares (resolution 10) was approved by a 99.1% majority.

The ASX waiver, which is **enclosed**, permits the Company to issue (subject to certain conditions):

- the Milestone 1 tranche of GBP 0.5 million worth of Consideration Shares no later than 31 March 2024; and
- the Milestone 2 tranche of GBP 1.5 million worth of Consideration Shares no later than 31 March 2025.

Further details regarding the Consideration Shares and the relevant milestones by which they may be issued can be found in the Company’s Notice of Meeting and Explanatory Memorandum for the 2022 AGM available on the ASX website (www.asx.com.au) and Bod’s website (<https://bodscience.com/investors/asx-announcements/>).

This announcement has been approved by the Chairman of Bod Science Limited.

-ENDS-

About Bod Science:

Bod Science Limited (ASX:BOD) is a cannabis focused drug development and product innovation company.

Bod is focused on progressing R&D and a defined clinical trial pathway to commercialise and deliver premium, scientifically proven and trusted products for the consumer and medical markets.

The Company has a number of existing partnerships with large corporate groups and collaborations with leading research partners to advance the use of CBD.

For more information please contact:

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6 March 2023

Mr Nick Golding
Partner
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Level 21, 90 Collins Street
Melbourne VIC 3000

By email:

Dear Mr Golding

BOD Science Limited ('BOD'): Decision for waiver/in-principle waiver application

I refer to your letter dated 14 February 2023 applying on behalf of BOD for a waiver from ASX Listing Rule 7.3.4.

I am pleased to advise that ASX Limited ('ASX') has decided to grant the waiver you have requested.

Decision

ASX's formal decision is as follows:

1. Based solely on the information provided, ASX Limited ('ASX') grants BOD Science Limited (the 'Company') a waiver from listing rule 7.3.4 to the extent necessary to permit the Company to in its notice of meeting (the 'Notice') seeking shareholder approval for the issue of up to 70,000,000 deferred consideration shares ('Deferred Consideration Securities') to be issued on the earlier of the date which is the date set out for the achievement of the relevant milestone or such earlier date as that milestone is actually satisfied (the 'Milestone') as consideration under a binding acquisition agreement between the Company and the vendors of Aqua Phase, a process technology to increase the bioavailability of cannabis compounds, together with all intellectual property, confidential information, records, goodwill and the right to use the name 'Aqua Phase' (together the "Acquisition"), to permit the Company to issue the Deferred Consideration Securities later than 3 months from the date of the shareholder meeting ('Meeting'), on the following conditions:
 - 1.1 The Deferred Consideration Securities are to be issued immediately upon satisfaction of the relevant Milestones and in any event no later than:
 - 1.1.1 31 March 2024 in respect of the Milestone 1 tranche of Deferred Consideration Securities; and
 - 1.1.2 31 March 2025 in respect of the Milestone 2 tranche of Deferred Consideration Securities.
 - 1.2 The terms of the Deferred Consideration Securities must not be varied.
 - 1.3 The maximum number of Deferred Consideration Securities to be issued is capped at 70,000,000.
 - 1.4 For any annual reporting period during which any of the Deferred Consideration Securities have been issued or any of them remain to be issued, the Company's annual report sets out the number of Deferred Consideration Securities issued in that annual reporting period, the number of Deferred Consideration Securities that remain to be issued and the basis on which the Deferred Consideration Securities may be issued.
 - 1.5 In any half year or quarterly report for a period during which any of the Deferred Consideration Securities have been issued or remain to be issued, the Company must include a summary statement of the number of Deferred Consideration Securities issued during the reporting period, the number of Deferred Consideration Securities that remain to be issued and the basis on which the Deferred Consideration Securities may be issued.

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- 1.6 The terms of the waiver are released to the market immediately.
2. ASX has considered Listing Rule 7.3.4 only and makes no statement as to the Company's compliance with other listing rules

Basis for Waiver Decision

Listing Rule 7.3.4

3. Listing rule 7.3.4 requires a notice of meeting with a resolution to approve the issue of equity securities to state that the securities will be issued within 3 months of the date of the shareholders' meeting. Listing rule 7.3.4 ensures that an issue of equity securities is made within a reasonably short time after the ordinary security holders approve the issue, so that there is less possibility that the circumstances of the entity may change by the time that the issue is made in such a way that they are different from those that the ordinary security holders may reasonably have had in contemplation at the time of giving their approval.
4. Where a listed entity has entered into a commercial transaction which calls for the issue of securities as consideration at future times that necessarily will fall longer than 3 months after the date of a shareholders' meeting, ASX's policy is to permit entities to seek shareholder approval for the issue of all the securities that may be issued under that transaction over the various phases, provided that the milestones to be achieved which trigger the obligation to issue the securities are appropriate to the entity and the transaction in all the circumstances, and adequate information can be given to shareholders about the future issues of securities. This allows the entity and the counterparty to the agreement to have commercial certainty about the ability of the entity to issue securities as the counterparty performs its obligations, while maintaining the principle that shareholders must give their informed consent to future issues of securities.

Facts/Reasons for granting the waiver

5. The Company stated in its Notice that the Deferred Consideration Securities will be issued within 3 months from the date of the Meeting or, if a waiver from Listing Rule 7.3.4 is granted, by 31 March 2024 for the Milestone 1 tranche and by 31 March 2025 for the Milestone 2 tranche. The Company is proposing to issue a maximum of 70,000,000 Deferred Consideration Securities as part of its consideration to acquire Aqua Phase from its vendors and is to be issued subject to the achievement of milestones. ASX is satisfied that the delay in issuing the shares was beyond the control of the Company and the Company has confirmed that its circumstances have not materially changed and are not likely to materially change since shareholder approval. The Deferred Consideration Securities will be issued on terms approved by shareholders and as such, it is proposed to grant the waiver.

Conditions of waiver

The waiver is subject to certain conditions. Under Listing Rule 18.1, these conditions must be complied with for the waiver to be effective.

ASX's power to vary or revoke waiver

It should be noted that under ASX Listing Rule 18.3, ASX may vary or revoke the waiver at any time.

If you have any further enquiries in relation to this matter, please do not hesitate to contact me.

Kind regards

Lisa Banh
Senior Adviser, Listings Compliance