

Medicinal cannabis supply agreement with Green Farmers Pty Ltd

- Supply agreement with licenced cultivator, importer and genetic holder of medicinal cannabis, Green Farmers Pty Ltd (Licence Number MC022/18v3) (Green Farmers)
- Green Farmers is a leading Australian grower of medicinal cannabis, with a cropping facility (glasshouse) of 4,000 sqm of cultivation area

Sydney, Australia – 13 December 2023: Cannabis focused drug development and product innovation company BOD Science Limited (administrators appointed) (**BOD**) is pleased to advise that it has entered into a supply agreement with Australian licenced cultivator, importer and genetic holder of medicinal cannabis, Green Farmers, to supply a minimum quantity of 4 strains of medicinal cannabis (**Product**) on an exclusive basis for at least the next three months (with the agreement automatically renewing on a three-month rolling basis) or until BOD exits voluntary administration and operates as a going concern (**Supply Agreement**).

Following the expiry of this agreement BOD and Green Farmers will look to negotiate a long form supply agreement under which it is intended that Green Farmers will supply a minimum quantity of the Product (to be determined following completion of a six-month quality evaluation period) to BOD on an exclusive basis.

Management commentary:

Ms Jo Patterson CEO and founder said: *"We are looking forward to launching two exclusive strains in partnership with Green Farmers immediately. These specific strains will sit alongside our existing medical cannabis product offering under both the MediCabilis brand and Bod Flora. I would like to acknowledge the support that Green Farmers have extended to Bod during this period to ensure quality and timely delivery of these products."*

Tom Varga, CEO and co-founder, Biortica Agrimed (Green Farmers' parent company) said: *"It is our number one priority to ensure that high quality medicinal cannabis is available to patients in the Australian market. Having worked closely with Jo Patterson and the BOD team over the past months selecting unique strains through our genetics division, Apollo Green, it was important that we ensured that support continue during this time. We are looking forward to how we can support BOD over the coming months and beyond."*

BOD is a cannabis focused drug development and product innovation company.

BOD is focused on progressing R&D and a deferred 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 organisations to advance the use of cannabis related products with therapeutic indications.

Visit <https://bodscience.com/>

About Biortica Agrimed

Biortica Agrimed is a B2B focused upstream provider of medicinal cannabis.

Specialising in the provision of high-quality inhalation cannabis, Biortica Agrimed provides genetics services through Apollo Green, a Canadian based leader in genetics, as well as cultivation services in Australia under the Green Farmers brand. As one of Australia's largest cultivators, Green Farmers services many of the leading brands in the Australian market with 20,000 sqm of glasshouse cultivation capacity.

With the ability to provide medicinal cannabis in either bulk package or white labelled final packaged formats, Biortica Agrimed is leading the Australian industry through genetics, cultivation and packaging solutions.

Visit www.biortica.com

Agreement terms

Green Farmers grants exclusivity to BOD to purchase the Product for the duration of the term of the Supply Agreement.

Under the terms of the Supply Agreements BOD is required to purchase a minimum quantity of the Product for each three-month period that the Supply Agreement is in force. For every purchase order made by BOD and accepted by Green Farmers, Green Farmers is required to pay BOD an upfront amount of \$100,000 (**Prepayment Amount**), which will provide BOD with an immediately accessible revenue stream to support its business whilst it awaits future revenue from the sale of the Products through its distributor, Burleigh Heads Cannabis Pty Ltd (**Distributor**).

BOD is required to include Green Farmers' nominated bank account details in the invoices it issues to its Distributor under a separate agreement with the Distributor for onward sale of the Products, such that payments made by the Distributor for the Product repay the Prepayment Amount and all other amounts due by BOD to Green Farmers for purchases of the Product under the Supply Agreement.

As BOD is in voluntary administration and is currently trading, this payment arrangement provides BOD with the ability to continuously operate whilst minimising cash flow requirements.

If Green Farmers receives any amount from the Distributor in addition to the aggregate of the Prepayment Amount and the amounts invoiced to BOD under the Supply Agreement, Green Farmers must either refund or offset against previous or future invoices, any such additional amount to BOD.

For the duration of the Supply Agreement and until all amounts owing under the Supply Agreement are paid to Green Farmers, Green Farmers retains the right to recover from BOD and Burleigh Heads Cannabis any undistributed Product and receive any future proceeds from the sale of the Product.

The Supply Agreement terminates automatically if BOD ceases to trade. BOD is also required to terminate the agreement if its Administrator requests the termination of the agreement. There are no termination rights held by Green Farmers.

Voluntary administration

On 29 November 2023, the Board of Directors of BOD appointed Andrew Barnden and Brent Morgan (**Administrators**) of Rodgers Reidy as Joint and Several Administrators of BOD pursuant to section 436A of the Corporations Act 2001.

The Administrators have assumed control of the Company's business and assets and will work with the Board of Directors during the administration period to maximise the outcome for all stakeholders of the Company.

The first meeting of BOD's creditors was held on 11 December 2023. A second creditors meeting must be held by 29 December 2023 (unless the convening period is extended, for which an application to extend is intended to be made), at which time the future of BOD will be voted on by BOD's creditors.

The outcome of this meeting will either be that BOD enters into a deed of company arrangement, liquidation or BOD being returned to the directors and operating as a going concern, which would only occur if BOD was determined to be solvent.

BOD will continue to keep its creditors, employees and shareholders informed as to the details of its voluntary administration.

For more information regarding voluntary administration and administrators generally, please visit www.asic.com.au. In addition, ASIC publishes Insolvency Information Sheets which provide information in relation to external administrations. Shareholders may obtain copies of these information sheets through the following link: <https://asic.gov.au/regulatoryresources/insolvency/insolvency-information-sheets/>

This announcement has been approved by Andrew Barden (Administrator)

Ends

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Legal notice

This announcement may include forward-looking statements that relate to anticipated future events, financial performance, plans, strategies or business developments. Forward-looking statements can generally be identified by the use of words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “outlook”, “forecast” and “guidance”, or other similar words. They may include, without limitation, statements regarding plans, strategies and objectives and anticipated business developments. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements are based on BOD’s good-faith assumptions as to the financial, market, regulatory and other considerations that exist and affect BOD’s business and operations in the future and there can be no assurance that any of the assumptions will prove to be correct. There may be other factors that could cause actual results or events not to be as anticipated, and many events are beyond the reasonable control of BOD. BOD’s actual results, performance or achievements may be materially different from those which may be expressed or implied by such statements, and the differences may be adverse. Accordingly, you should not place undue reliance on these forward-looking statements. Any forward-looking statements in this announcement are only made as at the date of this announcement and, to the maximum extent permitted by law, BOD disclaims any obligation or undertaking to update or revise any forward-looking statements or to advise of any change in assumptions on which any such statement is based.