

Bod Science Limited (subject to a Deed of Company Arrangement)

Appendix 4D

Half-year report

1. Company details

Name of entity:	Bod Science Limited (Subject to a Deed of Company Arrangement)
ABN:	89 601 225 441
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

					\$
Revenues from ordinary activities	down	61.6%	to		435,108
Loss from ordinary activities after tax attributable to the owners of Bod Science Limited	up	93.6%	to		(6,140,001)
Loss for the half-year attributable to the owners of Bod Science Limited	up	93.6%	to		(6,140,001)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$6,140,001 (31 December 2022: \$3,171,678).

Refer to the 'Review of operations' section of the Administrators' report for further commentary on the results of the consolidated entity.

3. Net tangible assets

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
Net assets	(4,804,948)	(703,364)
Less: Intangibles	(435,070)	(130,681)
Less: Right-of-use assets	(75,450)	-
Add: Lease liabilities	1,477,006	-
Net tangible assets	<u>(3,838,462)</u>	<u>(834,045)</u>
	Number	Number
Total shares issued	<u>177,338,493</u>	<u>153,212,493</u>
	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(2.16)</u>	<u>(0.54)</u>

4. Loss of control over entities

Bod Sagl, a wholly-owned subsidiary of Bod Science Limited incorporated in Switzerland, was deregistered on 27 December 2023.

Bod Science Limited (subject to a Deed of Company Arrangement)
Appendix 4D
Half-year report

5. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

6. Dividend reinvestment plans

Not applicable.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entity

Details of origin of accounting standards used in compiling the report:

The foreign entities are presented in compliance with International Financial Reporting Standards (IFRS).

9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim report.

10. Attachments

Details of attachments (if any):

The Interim report of Bod Science Limited (Subject to a Deed of Company Arrangement) for the half-year ended 31 December 2023 is attached.

11. Signed

Signed _____

Andrew Barnden
Deed Administrator
Sydney

Date: 18 July 2024

Bod Science Limited (subject to a Deed of Company Arrangement)

ABN 89 601 225 441

Interim report - 31 December 2023

Bod Science Limited (subject to a Deed of Company Arrangement)
Corporate directory
31 December 2023

Directors	Joanne Patterson David Baker George Livery Akash Bedi
Voluntary administrators	Andrew Barnden and Brent Morgan (Administrators) of Rodgers Reidy Appointed as Joint and Several Voluntary Administrators of the company
Company secretary	Carlie Hodges
Registered office	Suite 2, Level 10, 70 Phillip Street Sydney NSW 2000
Principal place of business	Level 1, 44 Martin Place Sydney NSW 2000
Share register	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000
Auditor	Nexia Sydney Audit Pty Ltd Level 22, 2 Market Street Sydney NSW 2000
Stock exchange listing	Bod Science Limited shares are listed on the Australian Securities Exchange (ASX code: BOD), currently suspended.
Website	www.bodscience.com

Bod Science Limited (subject to a Deed of Company Arrangement)

Administrators' report

31 December 2023

The Administrators present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Bod Science Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The names of the directors of the company during the year are:

Joanne (Jo) Patterson, Chief Executive Officer

David Baker, Non-Executive Chairman

George Livery, Non-Executive Director

Akash Bedi, Non-Executive Director

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

Principal activities

The principal activities of the consolidated entity during the half-year were the development and distribution of therapeutic medicinal cannabis products based on Good Manufacturing Practice ('GMP') certified cannabis extracts for medical markets in Australia and the United Kingdom.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

Schedule 3 Clinical trial CBD 100mg displays statistically significant results over placebo supporting a commercialisation pathway:

The preliminary topline results from the consolidated entity's phase IIB clinical trial for a new Schedule 3 Cannabidiol (CBD) product for the Australian market were reported in September 2023. This clinical trial is the only advanced Schedule 3 CBD product candidate for a Therapeutic Goods Administration (TGA) Australian Register of Therapeutic Goods (ARTG) registration. Schedule 3 products with an ARTG registration can be sold to Australian consumers over-the-counter (OTC) without a prescription.

The clinical trial assessed the efficacy of a uniquely developed Schedule 3 OTC (Pharmacist Only) CBD formulation on symptoms associated with insomnia in 198 participants over 8 weeks. The study design randomised patients to receive daily doses of double-blind study medication of either CBD 50mg, CBD 100mg or placebo for the 8-week period. The statistically powered primary endpoint compares Insomnia Severity Inventory (ISI) scores for each dose compared to placebo. The ISI is a patient questionnaire completed at baseline (before study medication), then at week 4 and at week 8. The study included an objective measure of sleep using actigraphy data gathered from a smart watch worn by patients for 7 days before taking study medication and then again for the final 7 days of study medication at Week 8. Anxiety and stress are secondary endpoints as measured by the DASS-21 questionnaire and are reviewed as part of the final results. The primary endpoint analysis on the ITT population showed no statistically significant difference between either CBD dose compared to placebo when tested at the 0.025 statistical significance level. Analysis of the primary endpoint on the per protocol population showed a statistically significant benefit of CBD 100mg compared to placebo when tested at the 0.05 statistical significance level. A significance level of 0.05 indicates a 5% risk that the results occurred by chance. The company is encouraged that the p-value of 0.05 shows a benefit between placebo vs 100mg.

The Company attended a pre-submission meeting in December 2023 with the TGA to discuss pathways towards Schedule 3 (OTC) registration and its dossier submission ¹.

Acquisition of Aqua Phase completed:

In August 2023, following the satisfaction of the conditions precedent, the consolidated entity completed the acquisition of Aqua Phase ². Aqua Phase is a process technology which has the potential to substantially increase the bioavailability of lipophilic (non-soluble) cannabis compounds in humans allowing more rapid onset, better efficacy and lower dosage rates. CBD and cannabinoids intrinsically have poor biological absorption – oral CBD compounds in oil are estimated to have only 6 to 8% bioavailability. Aqua Phase uses a common compound combined with CBD under specific mechanical and heating conditions to deliver a stable, highly bioavailable compound.

As part of completion, the completion payment was made in August 2023 and the consolidated entity now holds the rights to use the 'Aqua Phase' 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.

Completion of Aqua Phase PK Studies demonstrating over 6 times improved bioavailability:

In September 2023, the consolidated entity completed all development work required to support the commercialisation of the Aqua Phase technology, with the final CBD pharmacokinetic (PK) study investigating the bioavailability in venous blood results demonstrating 6 times greater bioavailability³. The research and development work completed supports the commercialisation of the Aqua Phase technology solution as a preferred oral dose format. During the half-year, the consolidated entity completed two PK studies to demonstrate the enhanced bioavailability of CBD complexed with the Aqua Phase technology compared with CBD in medium-chain triglycerides (MCT) oil. The initial PK Study completed in July 2023 assessed bioavailability in capillary blood. Data from the consolidated entity's two PK studies demonstrated consistent results, although significantly increased bioavailability was seen for the venous study. The final results demonstrated the multiple benefits of the Aqua Phase CBD compared to CBD in Oil including:

- (1) AUC (AUC = Measure of absorption/bioavailability); Results: Aqua Phase CBD was more than 530% (6.3 times) greater than CBD in oil; Benefit: Aqua Phase CBD showed longer exposure of CBD in blood for greater potential effect; Commercial opportunity: Confirms the utility of Aqua Phase to help solve absorption and bioavailability issues for lipophilic molecules;
- (2) Cmax (Cmax = The maximum concentration achieved); Results: Aqua Phase CBD achieved approximately 270% (3.7 times) greater maximum concentration (Cmax) than CBD in oil; Benefit: Higher concentrations of the dose in the body to address clinical needs; Commercial opportunity: Opens up a dosing benefit that can be leveraged to reduce the amount of active ingredient required, minimising cost of development and potential side effects of drugs; and
- (3) Tmax (Tmax = speed of onset and shows the time taken for the CBD dose to reach maximum concentration); Results: Aqua Phase CBD reaches its maximum concentration in 2.5 hrs vs 6 hrs for CBD in oil; Benefit: Aqua Phase achieves higher exposure much earlier than oil, giving a faster acting product; Commercial opportunity: This is an attractive attribute for development of CBD for conditions where a quick onset is important.

August Capital Raise:

In August 2023, the company successfully completed a placement to raise \$1.9m (before costs). The Placement comprised the issue of approximately 24.1 million Shares at the offer price of A\$0.08 per New Share ("Offer Price"). Participants in the Placement were also offered one unlisted free attaching option for every two Shares allocated in the Placement, with an exercise price of \$0.10 per option and an expiry date of 30 June 2024 ("Attaching Options"). A total of approximately 22.2 million Shares and 11.1 million Attaching Options were issued via the Placement using the Company's existing capacity under ASX Listing Rules 7.1 and 7.1A.

A total of A\$150,000 out of the \$1.9 million raised (1.875 million Shares) were subscribed for at the Offer Price by the company's Chairman, Mr David Baker ("Director Placement"). The Director Placement component of the Placement was conditional on shareholder approval for the purposes of ASX Listing Rule 10.11⁴.

November Capital Raise and Subsequent Delays:

On 8 November 2023, the company announced that it had received firm commitments from professional and sophisticated investors for a two-tranche placement of new, fully paid ordinary shares ("Shares") to raise \$2.05 million ("Placement"). The Placement was undertaken at an offer price of \$0.03 per Share ("Offer Price"). The Placement was due to raise \$2.05 million (before costs) in two tranches, with Tranche 1 to raise \$0.8m via the issue of 26.6 million Shares utilising the Company's available capacity under ASX Listing Rule 7.1 and Tranche 2 to raise \$1.25m via the issue of 41.7 million Shares, conditional on shareholder approval. Tranche 2 of the Placement included the proposed issue of \$30,000 equity (1,000,000 Shares) to Director Jo Patterson (or nominee), subject to shareholder approval for the purposes of ASX Listing Rule 10.11. If Tranche 2 was approved, the Placement would have involved the issue of 68.3 million Shares. The participation of Antah Healthcare Group ("Antah"), our partner in Malaysia, supported the Placement through a commitment of \$1.1 million equity (being 36.7 million Shares).

Subsequent to the announcement on 8 November and again on 15 November, the company updated the market that settlement of Tranche 1 of the Placement had been delayed due to an administrative delay in the transfer of funds from outside Australia. On 20 November 2023, the company again updated the market that the settlement did not settle as expected. The delayed settlement had arisen due to a delay in receipt of funds from the Placement's cornerstone investor, Antah. The company had been advised by Antah that the delay had arisen due to a delay in receiving a Monetary Authority of Singapore (MAS) approval that was required by Antah to transfer the funds. Antah re-confirmed its commitment to the Placement in letters from its Group Managing Director to the company dated 14 November 2023 and 17 November 2023.

Appointment of Voluntary Administrators:

Following the failure of the November capital raise due to the delay in receipt of Tranche 1 of the Placement, on 29 November 2023 the Board of Directors of the Company appointed Andrew Barnden and Brent Morgan of Rodgers Reidy as Joint and Several Voluntary Administrators of the Company pursuant to section 436A of the Corporations Act 2001. The Administrators assumed control of the Company's business and assets to maximise the outcome for all stakeholders of the Company.

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Administrators' report
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R&D Tax Rebate:

The business has prioritised strategic investment in rigorous scientific research and development and this is reflected in the \$1.645 million Research and Development (R&D) Tax Incentive Rebate received in cash in November 2023⁵. The rebate relates to applicable R&D activities conducted by the consolidated entity during the 2023 financial year, including 11 R&D Programs – 3 in phase I and II trials and 8 in pre-clinical. The rebate underscores the consolidated entity's commitment to drug development and product innovation including its ongoing clinical trial of a unique Schedule 3 OTC (Pharmacist Only) CBD medicine for the Australian market.

Medical Cannabis Supply Agreement with Green Farmers:

In December 2023, the consolidated entity entered into a supply agreement with licensed cultivator, importer and genetic holder of medicinal cannabis, Green Farmers, to supply a minimum quantity of four strains of medical cannabis on an exclusive basis for at least three months, with the agreement automatically renewing on a three-month rolling basis or until the company exits voluntary administration and operates as a going concern⁶.

Financial overview

The loss for the consolidated entity after providing for income tax amounted to \$6,140,001, a 94% increase on the previous corresponding period (PCP) (31 December 2022: \$3,171,678).

Total revenue for the half-year was \$435,108, a 62% decrease on the PCP (31 December 2022: \$1,131,836).

Sales revenue from the consolidated entity's MediCabilis® medicinal cannabis products range in Australia and the UK was \$250,196, a 57% decrease on the PCP (31 December 2022: \$576,950). Sales of the consolidated entity's CBD products have continued to fall, reflecting the market's continued move to Tetrahydrocannabinol (THC) flower products in Australia (which the consolidated entity has not been able to participate in), as well as reduced scripts issued in the UK market. In December 2023, the consolidated entity launched its first THC product in Australia, with a further five THC products launched after half-year. The consolidated entity expects this new range of products to result in a significant increase in sales revenue in its Medical business.

Non-CBD, over the counter, legacy health and beauty products generated \$174,514 in sales (31 December 2022: \$242,266) and the decrease in sales reflects the consolidated entity's ongoing focus on growing its medical cannabis division. The consolidated entity exited its legacy businesses shortly after the half-year ended 31 December 2023. There were no sales of CBD and hemp products to Health and Happiness Group Limited ('H&H', HKSE: 1112) during the half-year (31 December 2022: \$278,796) as H&H has discontinued their CBII range of products sold in the UK and US markets.

Other income generated for the half-year included \$1,616,807 in R&D tax incentives (31 December 2022: \$1,356,576) following increased research and development expenditure in the prior year. The consolidated entity's main activity focused on its major R&D projects, including Schedule 3 OTC Phase IIB insomnia study and Aqua Phase pharmacokinetic study.

Excluding one-off inventory write-offs in both the current and prior year, the consolidated entity's gross profit margin (defined as sale of goods plus royalty less raw materials and consumables used and impairment of inventory, divided by sale of goods plus royalty) was 26% compared to 44% for the prior half-year. The decrease in margin arose mainly in the Medical business due to significant price decreases, effective June 2023, as well as a reduction in royalties from H&H.

The consolidated entity's loss from ordinary activities was \$6,140,001, a 94% increase on the PCP (31 December 2022: \$3,171,678). Gross profit (defined as sale of goods plus royalty less raw materials and consumables used) decreased from \$439,872 to \$69,427. The consolidated entity recognised an impairment of the Aqua Phase intangible of \$1,546,283, an impairment of the right-of-use asset of \$1,379,454 and an impairment of patents and trademarks of \$97,257. These unfavourable movements were offset by an increase in research and development tax incentive of \$260,231 and total expense savings of \$274,892 (a 5% decrease on the prior half-year). Research and development costs decreased by \$434,533 (28%) as the Schedule 3 OTC Phase IIB insomnia study and the Aqua Phase pharmacokinetic studies reached their conclusions during the half-year. Distribution expenses decreased by \$165,499 (68%) due to the reduction in sales activity, while marketing expenses decreased by \$106,151 (37%) as the consolidated entity reduced discretionary expenses. Other expenses increased by \$203,927 (20%) due to the Administrator's fees while the company was under voluntary administration. Interest costs of \$103,158 (31 December 2022: \$nil) were incurred primarily due to loans from Radium Capital which were secured against the research and development tax incentive.

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During the half-year, the consolidated entity completed the acquisition of an invention known as "Aqua Phase" and related assets following payment of £1,000,000 (\$1,946,283) to the vendors. The consolidated entity recognised an impairment loss of \$1,546,283 relating to this acquisition at the end of the half-year. It also raised capital of \$1,786,314 (net of fees) and made a net repayment of borrowings to Radium Capital of \$935,936. At the end of the half-year, the consolidated entity was in a net bank overdraft position of \$364,691.

Significant changes in the state of affairs

On 3 August 2023, the consolidated entity announced that it had received firm commitments for a \$1.9 million equity placement at an offer price of \$0.08 per share to be used to fund research and development activities and working capital. In addition, placement participants were offered one attaching option for every two new shares issued, exercisable at \$0.10 on or before 30 June 2024.

On 10 August 2023, the consolidated entity completed the acquisition of an invention known as "Aqua Phase" and related assets (Invention) following payment of £1,000,000 to the vendors. The consolidated entity now holds the rights to use the Invention, together with all intellectual property (including a patent application), confidential information, records and the right to use the name "Aqua Phase" going forward.

On 28 November 2023, the company requested a voluntary suspension of trading in its securities and the ASX approved this suspension on the same day. The company's securities have remained suspended from trading since this date.

On 29 November 2023, following the failure of the capital raise announced on 8 November 2023 due to a delay in the receipt of funds from the capital raise, the Board of Directors appointed Andrew Barnden and Brent Morgan (Administrators) of Rodgers Reidy as Joint and Several Voluntary Administrators of the company pursuant to section 436A of the Corporations Act 2001.

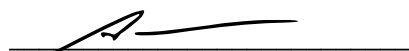
Bod Sagl, a wholly-owned subsidiary of Bod Science Limited incorporated in Switzerland, was deregistered on 27 December 2023.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this administrators' report.

This report is made under the authority of the Deed Administrator and pursuant to section 306(3)(a) of the Corporations Act 2001.


Andrew Barnden
Deed Administrator

18 July 2024
Sydney

- ¹ ASX Announcement – 6 September 2023: Bod's schedule 3 clinical trial CBD 100mg displays statistical significance over placebo with p-value of 0.04 supporting commercialisation pathway whilst primary endpoint on ITT population showed no statistical significance over placebo
- ² ASX Announcement – 10 August 2023 Bod completes acquisition of Aqua Phase
- ³ ASX Announcement – 27 September 2023: Bod Science Aqua Phase CBD PK results demonstrates 6 times greater bioavailability
- ⁴ ASX Announcement – 3 August 2023: Bod announces placement to raise \$1.9m
- ⁵ ASX Announcement – 22 November 2023: Bod Science receives \$1.645 million R&D tax rebate
- ⁶ ASX Announcement – 13 December 2023: Medicinal cannabis supply agreement with Green Farmers Pty Ltd

To the Deed Administrator of Bod Science Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead audit director for the review of the interim financial statements of Bod Science Limited for the financial half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

Yours sincerely



Nexia Sydney Audit Pty Ltd



Erin Tanyag

Director

Date: 18 July 2024

Bod Science Limited (subject to a Deed of Company Arrangement)

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General information

The financial statements cover Bod Science Limited as a consolidated entity consisting of Bod Science Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Bod Science Limited's functional and presentation currency.

Bod Science Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Suite 2, Level 10, 70 Phillip Street
Sydney NSW 2000

Principal place of business

Level 1, 44 Martin Place
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the administrators' report, which is not part of the financial statements.

The financial statements were authorised for issue, under the authority of the Deed Administrator, on 18 July 2024.

Bod Science Limited (subject to a Deed of Company Arrangement)
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

		Consolidated	
	Note	31 Dec 2023	31 Dec 2022
		\$	\$
Revenue from contracts with customers	3	435,108	1,131,836
Other income	4	1,717,107	1,435,790
Expenses			
Raw materials and consumables used	5	(365,681)	(691,964)
Distribution expense		(78,140)	(243,639)
Research and development expense		(1,144,020)	(1,578,553)
Employee/director benefits expense		(1,657,568)	(1,460,327)
Depreciation and amortisation expense	5	(136,320)	(89,407)
Impairment of inventories		(55,234)	(28,856)
Impairment of intangible assets	8	(1,643,540)	-
Impairment of right-of-use asset	7	(1,379,454)	-
Marketing expense		(183,180)	(289,331)
Share-based payment expense	5	(334,381)	(351,171)
Other expenses		(1,214,566)	(1,010,639)
Loss before interest and tax		(6,039,869)	(3,176,261)
Interest revenue		3,026	4,583
Interest expense		(103,158)	-
Net interest (expense)/revenue		(100,132)	4,583
Loss before income tax expense		(6,140,001)	(3,171,678)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Bod Science Limited		(6,140,001)	(3,171,678)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		44,979	(20,005)
Other comprehensive income for the half-year, net of tax		44,979	(20,005)
Total comprehensive income for the half-year attributable to the owners of Bod Science Limited		(6,095,022)	(3,191,683)
		Cents	Cents
Basic earnings per share	17	(3.59)	(2.45)
Diluted earnings per share	17	(3.59)	(2.45)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Bod Science Limited (subject to a Deed of Company Arrangement)
Statement of financial position
As at 31 December 2023

		Consolidated	
	Note	31 Dec 2023	30 Jun 2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	75,095	2,031,040
Trade and other receivables		94,897	400,040
Inventories		330,631	288,513
Other assets		488,237	578,334
Total current assets		<u>988,860</u>	<u>3,297,927</u>
Non-current assets			
Property, plant and equipment		25,154	75,112
Right-of-use assets	7	75,450	-
Intangibles	8	435,070	130,681
Total non-current assets		<u>535,674</u>	<u>205,793</u>
Total assets		<u>1,524,534</u>	<u>3,503,720</u>
Liabilities			
Current liabilities			
Trade and other payables	9	4,146,872	2,540,443
Contract liabilities	10	6,625	7,880
Borrowings	11	439,786	963,132
Lease liabilities	12	219,704	-
Employee benefits		175,776	106,253
Total current liabilities		<u>4,988,763</u>	<u>3,617,708</u>
Non-current liabilities			
Contract liabilities	10	-	500,000
Lease liabilities	12	1,257,302	-
Employee benefits		83,417	89,376
Total non-current liabilities		<u>1,340,719</u>	<u>589,376</u>
Total liabilities		<u>6,329,482</u>	<u>4,207,084</u>
Net liabilities		<u>(4,804,948)</u>	<u>(703,364)</u>
Equity			
Issued capital	13	34,751,132	33,017,675
Reserves		3,827,857	3,522,897
Accumulated losses		<u>(43,383,937)</u>	<u>(37,243,936)</u>
Total deficiency in equity		<u>(4,804,948)</u>	<u>(703,364)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Bod Science Limited (subject to a Deed of Company Arrangement)
Statement of changes in equity
For the half-year ended 31 December 2023

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	29,395,185	3,362,355	(29,290,800)	3,466,740
Loss after income tax expense for the half-year	-	-	(3,171,678)	(3,171,678)
Other comprehensive income for the half-year, net of tax	-	(20,005)	-	(20,005)
Total comprehensive income for the half-year	-	(20,005)	(3,171,678)	(3,191,683)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	3,430,225	-	-	3,430,225
Share-based payments	291,667	59,504	-	351,171
Options issued for share transaction costs	(79,400)	79,400	-	-
Balance at 31 December 2022	<u>33,037,677</u>	<u>3,481,254</u>	<u>(32,462,478)</u>	<u>4,056,453</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2023	33,017,675	3,522,897	(37,243,936)	(703,364)
Loss after income tax expense for the half-year	-	-	(6,140,001)	(6,140,001)
Other comprehensive income for the half-year, net of tax	-	44,979	-	44,979
Total comprehensive income for the half-year	-	44,979	(6,140,001)	(6,095,022)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 13)	1,784,057	-	-	1,784,057
Share-based payments	-	209,381	-	209,381
Options issued for share transaction costs (note 13)	(50,600)	50,600	-	-
Balance at 31 December 2023	<u>34,751,132</u>	<u>3,827,857</u>	<u>(43,383,937)</u>	<u>(4,804,948)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Bod Science Limited (subject to a Deed of Company Arrangement)
Statement of cash flows
For the half-year ended 31 December 2023

		Consolidated	
	Note	31 Dec 2023	31 Dec 2022
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		883,202	956,413
Payments to suppliers and employees (inclusive of GST)		(3,684,944)	(5,451,979)
Interest received		3,497	4,585
Interest paid		(131,161)	-
Research and development incentive received		1,645,773	1,512,673
Net cash used in operating activities		<u>(1,283,633)</u>	<u>(2,978,308)</u>
Cash flows from investing activities			
Net payments for property, plant and equipment		(9,848)	(5,262)
Payments for intangibles		(1,954,927)	(68,827)
Proceeds from disposal of property, plant and equipment		300	-
Net cash used in investing activities		<u>(1,964,475)</u>	<u>(74,089)</u>
Cash flows from financing activities			
Net proceeds from issue of shares	13	1,786,314	3,221,892
Net proceeds from borrowings		183,163	-
Repayment of borrowings		(1,119,099)	-
Repayment of lease liabilities		(27,827)	-
Net cash from financing activities		<u>822,551</u>	<u>3,221,892</u>
Net (decrease)/increase in cash and cash equivalents		(2,425,557)	169,495
Cash and cash equivalents at the beginning of the financial half-year		2,031,040	3,665,738
Effects of exchange rate changes on cash and cash equivalents		29,826	43,832
Cash and cash equivalents at the end of the financial half-year	6	<u><u>(364,691)</u></u>	<u><u>3,879,065</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Bod Science Limited (subject to a Deed of Company Arrangement)
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Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss after tax of \$6,140,001 (31 December 2022: \$3,171,678) and incurred net operating cash outflows for the half-year of \$1,283,633 (31 December 2022: \$2,978,308). The consolidated entity had a net bank overdraft of \$364,691 as at 31 December 2023 (30 June 2023: cash and cash equivalents of \$2,031,040).

Following the failure of the November 2023 equity placement due to delay in the receipt of Tranche 1 of the placement, on 29 November 2023 the Board of Directors appointed Andrew Barnden and Brent Morgan of Rodgers Reidy as joint and several Voluntary Administrators of Bod Science Limited. The Administrators assumed control of the company's business and assets to maximise the outcome for all stakeholders of the company.

On 9 February 2024, the company signed a non-binding Heads of Agreement with Biortica Agrimed Limited ("Biortica"), which proposed that the company enter into a deed of company arrangement ("DOCA"). Pursuant to the terms of the DOCA proposal, Biortica has agreed to contribute \$380,000 to a deed fund and a proposal by which ultimately the company will acquire the issued share capital in Biortica in consideration for the issue of shares in the company to the shareholders and noteholders of Biortica (ie: a backdoor listing). The Administrators recommended that creditors of the company accept the DOCA proposal.

The first meeting of the company's creditors was held on 11 December 2023 and the second meeting of creditors was held on 8 April 2024. The outcome of the second meeting of creditors was, inter alia, that the company's creditors accepted the DOCA proposal. The DOCA was executed on 24 April 2024 and Mr Barnden became the Deed Administrator.

A shareholders meeting will be scheduled at which shareholders will consider and vote in favour of Biortica's DOCA proposal. If shareholders vote in favour of the DOCA proposal, then the backdoor listing is subject to: (i) the ASX confirming that Biortica has a structure and operations suitable of a company to be admitted to the official list of the ASX following the application for in-principle advice lodged with the ASX on 5 March 2024; and (ii) the company has entered into a binding share purchase agreement with the ordinary shareholders of Biortica. The share purchase agreement is subject to the conditions subsequent being met, together with the effectuation of the DOCA and the company satisfying the re-compliance requirements with Chapter 1 and 2 of the ASX Listing Rules, including all necessary shareholder approvals.

Bod Science Limited (subject to a Deed of Company Arrangement)
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Note 1. Material accounting policy information (continued)

In the event that shareholder and ASX approval is not obtained, a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. However, the Deed Administrator believes that the approval of the DOCA proposal will be received from shareholders and the ASX and the backdoor listing of Biortica will provide the consolidated entity with a sustainable source of debt and equity funding which will allow the consolidated entity to pay its liabilities incurred in the ordinary course of business for at least twelve months from the date of this report and that it is reasonable to prepare the financial statements on a going concern basis. This is based upon the DOCA entered into between the company and Biortica whereby Biortica has provided an undertaking to meet the ongoing trading costs to effectuation of the DOCA. It also assumes shareholder approval of the terms of the DOCA and that the subsequent proposed capital raising by Biortica is successful.

Intangible assets

Aqua Phase

The costs associated with the acquisition of Aqua Phase are not amortised on the basis that it has an indefinite life. Management considers that the useful life of Aqua Phase is indefinite because there is no foreseeable limit to the cash flows this asset can generate. This is reassessed every year. Instead, it is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Comparatives

Comparatives have been realigned where necessary, to be consistent with current year presentation. There was no impact on profit, net assets or equity.

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into four operating segments: Medical, over the counter cannabidiol/Hemp ('OTC CBD/Hemp'), OTC Herbals and Corporate (including research and development activities). These operating segments are based on the internal reports that are reviewed and used by the Chief Executive Officer (who is identified as the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments. The consolidated entity's operations and assets are principally located in Australia, United Kingdom, European Union and the United States of America.

The CODM reviews the performance of the consolidated entity by reviewing the growth in sales revenue and the profit or loss for the period. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Bod Science Limited (subject to a Deed of Company Arrangement)
Notes to the financial statements
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Note 2. Operating segments (continued)

Operating segment information

	Medical	OTC	OTC	Corporate	Total
	\$	CBD/Hemp	Herbals	\$	\$
	\$	\$	\$	\$	\$
Consolidated - 31 Dec 2023					
Revenue					
Sale of goods	250,196	-	174,514	-	424,710
Royalty	-	10,398	-	-	10,398
Total revenue	250,196	10,398	174,514	-	435,108
Segment result	(792,629)	9,883	(140,178)	(1,568,016)	(2,490,940)
Depreciation and amortisation	-	-	-	(136,320)	(136,320)
Impairment of assets	(54,580)	-	(654)	(3,022,994)	(3,078,228)
Share-based payments	-	-	-	(334,381)	(334,381)
Interest revenue	-	-	-	3,026	3,026
Interest expense	-	-	-	(103,158)	(103,158)
Profit/(loss) before income tax expense	(847,209)	9,883	(140,832)	(5,161,843)	(6,140,001)
Income tax expense					-
Loss after income tax expense					(6,140,001)
Assets					
Segment assets	528,754	4,363	73,262	918,155	1,524,534
Total assets					1,524,534
Liabilities					
Segment liabilities	1,450,082	-	133,425	4,745,975	6,329,482
Total liabilities					6,329,482
Consolidated - 31 Dec 2022					
Revenue					
Sale of goods	576,950	278,796	242,266	-	1,098,012
Royalty	-	33,824	-	-	33,824
Total revenue	576,950	312,620	242,266	-	1,131,836
Segment result	(564,634)	(260,384)	(158,122)	(1,723,687)	(2,706,827)
Depreciation and amortisation	-	-	-	(89,407)	(89,407)
Impairment of assets	-	-	(31,320)	2,464	(28,856)
Share-based payments	-	-	-	(351,171)	(351,171)
Interest revenue	-	-	-	4,583	4,583
Loss before income tax expense	(564,634)	(260,384)	(189,442)	(2,157,218)	(3,171,678)
Income tax expense					-
Loss after income tax expense					(3,171,678)
Consolidated - 30 Jun 2023					
Assets					
Segment assets	415,905	119,593	52,526	2,915,696	3,503,720
Total assets					3,503,720
Liabilities					
Segment liabilities	922,142	139,756	167,235	2,977,951	4,207,084
Total liabilities					4,207,084

Bod Science Limited (subject to a Deed of Company Arrangement)
Notes to the financial statements
31 December 2023

Note 3. Revenue from contracts with customers

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Sale of goods	424,710	1,098,012
Royalty	10,398	33,824
Revenue from contracts with customers	<u>435,108</u>	<u>1,131,836</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
<i>Geographical regions</i>		
Australia	352,582	835,502
United Kingdom	82,526	252,305
European Union	-	4,177
United States of America	-	39,852
	<u>435,108</u>	<u>1,131,836</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	<u>435,108</u>	<u>1,131,836</u>

The disaggregation of revenue by major product lines is presented in note 2 - operating segments.

Note 4. Other income

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Research and development tax incentive	1,616,807	1,356,576
Fund income	100,000	-
Net foreign exchange gain	-	78,897
Net gain on disposal of property, plant and equipment	300	-
Other	-	317
Other income	<u>1,717,107</u>	<u>1,435,790</u>

Bod Science Limited (subject to a Deed of Company Arrangement)
Notes to the financial statements
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Note 5. Expenses

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Cost of sales	365,681	691,964
<i>Depreciation</i>		
Plant and equipment	5,507	8,384
Buildings right-of-use assets	108,575	-
Total depreciation	114,082	8,384
<i>Amortisation</i>		
Website	-	20,454
Patents and trademarks	22,238	18,438
Product development	-	42,131
Total amortisation	22,238	81,023
Total depreciation and amortisation	136,320	89,407
<i>Impairment</i>		
Intangible assets	1,643,540	-
Right-of-use assets	1,379,454	-
Inventories	55,234	28,856
Total impairment	3,078,228	28,856
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	78,930	-
Interest and finance charges paid/payable on lease liabilities	24,228	-
Finance costs expensed	103,158	-
<i>Net foreign exchange loss</i>		
Net foreign exchange loss	4,798	-
<i>Leases</i>		
Short-term lease payments	-	54,685
<i>Superannuation expense</i>		
Defined contribution superannuation expense	113,268	74,349
<i>Share-based payments expense</i>		
Share-based payments expense	334,381	351,171

Bod Science Limited (subject to a Deed of Company Arrangement)
Notes to the financial statements
31 December 2023

Note 6. Cash and cash equivalents

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current assets</i>		
Cash at bank and cash on hand	75,095	880,626
Cash on deposit	-	1,150,414
	<u>75,095</u>	<u>2,031,040</u>
<i>Reconciliation of cash and cash equivalents to the statement of cash flows:</i>		
Cash and cash equivalents per above	75,095	2,031,040
Bank overdraft included as part of borrowings (refer note 11)	(439,786)	-
Net cash and cash equivalents for purposes of statement of cashflows	<u>(364,691)</u>	<u>2,031,040</u>

Note 7. Right-of-use assets

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	1,563,479	-
Less: Accumulated amortisation	(108,575)	-
Less: Impairment	(1,379,454)	-
	<u>75,450</u>	<u>-</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Land and buildings
	\$
Balance at 1 July 2023	-
Additions	1,563,479
Impairment of assets	(1,379,454)
Amortisation expense	(108,575)
Balance at 31 December 2023	<u>75,450</u>

On 11 April 2024, the company informed the landlord of its Double Bay office premises that it would cease to operate from those premises as of that date. As a result, the consolidated entity has impaired its right-of-use asset as at 31 December 2023, impairing the value of the asset by \$1,379,454. This has resulted in a reduction of the carrying value of the right-of-use asset to an amount of \$75,450.

Bod Science Limited (subject to a Deed of Company Arrangement)
Notes to the financial statements
31 December 2023

Note 8. Intangibles

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Non-current assets</i>		
Patents and trademarks - at cost	228,278	204,394
Less: Accumulated amortisation	(95,951)	(73,713)
Less: Impairment	(97,257)	-
	<u>35,070</u>	<u>130,681</u>
Aqua Phase - at cost	1,946,283	-
Less: Impairment	(1,546,283)	-
	<u>400,000</u>	<u>-</u>
	<u>435,070</u>	<u>130,681</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Patents and trademarks \$	Aqua Phase \$	Total \$
Balance at 1 July 2023	130,681	-	130,681
Additions	23,884	1,946,283	1,970,167
Impairment of assets	(97,257)	(1,546,283)	(1,643,540)
Amortisation expense	(22,238)	-	(22,238)
	<u>35,070</u>	<u>400,000</u>	<u>435,070</u>

During the year, the consolidated entity completed the acquisition of an invention known as "Aqua Phase" and related assets (Invention). The consolidated entity now holds the rights to use the Invention, together with all intellectual property (including patent application), confidential information, records and the right to use the name "Aqua Phase" going forward.

Aqua Phase is a process technology which has the potential to substantially increase the bioavailability of lipophilic (non-soluble) cannabis compounds in humans allowing more rapid onset, better efficacy and lower dosage rates. Cannabidiol (CBD) and cannabinoids intrinsically have poor biological absorption – oral CBD compounds in oil are estimated to have only 6-8% bioavailability. Aqua Phase uses a common compound combined with CBD under specific mechanical and heating conditions to deliver a stable, highly bioavailable compound.

The consolidated entity intends to use the Invention as a delivery mechanism for its current and future portfolio of CBD and medicinal cannabis products, as well as having the potential to generate revenue from licensing the Invention in the future.

Following the company entering voluntary administration in November 2023, the Administrators have attempted to maximise the return for all stakeholders by selling the consolidated entity's assets. This includes the sale of the Aqua Phase intangible asset and the Administrators believe, based on negotiations with potential purchasers, that the Aqua Phase asset can be sold for an amount of approximately \$400,000. The estimated fair value less costs of disposal is categorised as a Level 3 input under AASB 13. These negotiations are ongoing at the date of this report.

The consolidated entity has impaired its Aqua Phase intangible asset as at 31 December 2023, impairing the value of the asset by \$1,546,283. This has resulted in a reduction of the carrying value of the asset from its cost of \$1,946,283 to its fair value less costs of disposal of \$400,000. The impairment has been recognised in the Corporate segment in note 2.

Bod Science Limited (subject to a Deed of Company Arrangement)
Notes to the financial statements
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Note 9. Trade and other payables

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current liabilities</i>		
Trade payables - secured	175,995	-
Trade payables - unsecured	2,800,164	1,432,669
Superannuation payable	55,033	40,395
Employee costs payable	62,500	-
Other payables	179,549	180,601
Accrued expenses	873,631	886,778
	<u>4,146,872</u>	<u>2,540,443</u>

The trade payables balance has increased due to the parent company entering into voluntary administration in November 2023.

The outcome of the second meeting of the company's creditors held on 8 April 2024 was that the company's creditors accepted Bortica's DOCA proposal and the DOCA was subsequently executed on 24 April 2024. Refer to note 19 for further details.

Note 10. Contract liabilities

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	6,625	7,880
<i>Non-current liabilities</i>		
Customer deposits	-	500,000
	<u>6,625</u>	<u>507,880</u>

The prior year non-current contract liability relates to an initial cash deposit for exclusive supply of a unique Schedule 3 (Pharmacist only) CBD product to Arrotex Pharmaceuticals. This amount has now been reclassified to trade and other payables as a result of the company entering voluntary administration.

Note 11. Borrowings

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current liabilities</i>		
Bank overdraft	439,786	-
Loan - Radium Capital	-	963,132
	<u>439,786</u>	<u>963,132</u>

The bank overdraft as at 31 December 2023 is unsecured and forms part of the DOCA.

Bod Science Limited (subject to a Deed of Company Arrangement)
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Note 12. Lease liabilities

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current liabilities</i>		
Lease liability	219,704	-
<i>Non-current liabilities</i>		
Lease liability	1,257,302	-
	<u>1,477,006</u>	<u>-</u>
		Lease liabilities
		\$
Balance at 1 July 2023		-
Additions		1,504,833
Interest		24,228
Payments		(52,055)
Balance at 31 December 2023		<u>1,477,006</u>

On 11 April 2024, the company informed the landlord of its Double Bay office premises that it would cease to operate from those premises as of that date (refer to note 19).

Note 13. Issued capital

	Consolidated			
	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>177,338,493</u>	<u>153,212,493</u>	<u>34,751,132</u>	<u>33,017,675</u>
<i>Movements in ordinary share capital</i>				
Details	Date	Shares	Issue price	\$
Balance	1 July 2023	153,212,493		33,017,675
Issue of shares - Equity placement	11 August 2023	19,751,000	\$0.08	1,580,080
Issue of shares - Equity placement	22 August 2023	2,500,000	\$0.08	200,000
Issue of shares - Equity placement to director	6 October 2023	1,875,000	\$0.08	150,000
Options issued for transaction costs		-	\$0.00	(50,600)
Less: Share issue costs		-	\$0.00	(146,023)
Balance	31 December 2023	<u>177,338,493</u>		<u>34,751,132</u>

Bod Science Limited (subject to a Deed of Company Arrangement)
Notes to the financial statements
31 December 2023

Note 13. Issued capital (continued)

Unissued shares

The Australian Securities Exchange (“ASX”) granted the company a waiver from ASX Listing Rule 7.3.4. The waiver, which is at the option of the company, permits the company to issue Deferred Consideration Securities under a binding acquisition agreement between the company and the vendors of Aqua Phase later than three months from the date of the shareholder meeting which approved the issue of the Deferred Consideration Securities. In accordance with that waiver, the company is required to disclose the following information in relation to the deferred consideration shares for the Aqua Phase acquisition. The deferred consideration shares will be issued on the following conditions:

- The shares are to be issued immediately upon satisfaction of the relevant milestones and in any event no later than 11 August 2025 in respect of the Milestone 1 tranche and no later than 11 August 2026 in respect of the Milestone 2 tranche. Milestone 1 requires successful manufacture to pharmaceutical GMP standards of two batches of the milestone product to specified criteria no later than 24 months after the completion date. Milestone 2 requires successful production of the first commercial pharmaceutical GMP (100,000-500,000 capsule run) batch of milestone product, where “successful production” means the milestone product has been manufactured in accordance with necessary specifications and regulations and will be able to be offered for commercial use no later than 36 months after the completion date.
- The maximum number of shares to be issued is capped at 84 million.

Note 14. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 15. Contingent assets and liabilities

The contingent liability previously disclosed as at 30 June 2023 relating to the dormant Swiss subsidiary was resolved during the half-year, with a settlement amount of CHF 19,077 (AUD 32,722) paid to the Swiss tax authority (compared to the claim by the tax authority of CHF 147,418).

Other than the above contingent liability as at 30 June 2023, there were no contingent assets or contingent liabilities as at 31 December 2023 and 30 June 2023.

Note 16. Commitments

	31 Dec 2023	30 Jun 2023
	\$	\$
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	987,953	1,292,276
One to five years	217,418	431,181
	<u>1,205,371</u>	<u>1,723,457</u>

The consolidated entity has a number of commitments arising from its research and development and clinical trial activities.

The amount and timing of these commitments will be managed by the consolidated entity.

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Short-term lease commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	<u>-</u>	<u>9,729</u>

Bod Science Limited (subject to a Deed of Company Arrangement)
Notes to the financial statements
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Note 17. Earnings per share

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Loss after income tax attributable to the owners of Bod Science Limited	<u>(6,140,001)</u>	<u>(3,171,678)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>171,242,482</u>	<u>129,701,690</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>171,242,482</u>	<u>129,701,690</u>
	Cents	Cents
Basic earnings per share	(3.59)	(2.45)
Diluted earnings per share	(3.59)	(2.45)

As at the reporting date, the consolidated entity had up to 84,000,000 contingently issuable shares (relating to the Aqua Phase acquisition) and 21,114,731 (31 Dec 2022: 8,990,261) potential ordinary shares (including escrowed and future vesting) that could potentially dilute basic earnings per share in the future, but were excluded from the calculation of diluted earnings per share because they were anti-dilutive.

Note 18. Share-based payments

A Long Term Incentive Plan has been established by the consolidated entity and approved by the shareholders of the company at a general meeting, whereby the company may, at the discretion of the Remuneration and Nominations Committee and the Board, grant performance rights or options over ordinary shares or loan funded shares in the company to certain key management personnel, employees, contractors and consultants of the consolidated entity. The securities are granted in accordance with the performance guidelines established by the Remuneration and Nominations Committee and Board from time to time.

The following share-based payment arrangements were outstanding during the period:

31 Dec 2023

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
07/08/2018	30/08/2023	\$0.50	750,000	-	-	(750,000)	-
07/08/2018	30/06/2024	\$0.50	1,000,000	-	-	-	1,000,000
24/12/2020	18/12/2023	\$0.75	500,000	-	-	(500,000)	-
01/07/2021	21/12/2026	\$0.00	109,416	-	-	(54,708)	54,708
22/12/2021	21/12/2026	\$0.00	130,060	-	-	(65,030)	65,030
01/07/2022	30/06/2027	\$0.00	1,137,584	-	-	-	1,137,584
14/10/2022	14/10/2024	\$0.12	2,000,000	-	-	-	2,000,000
01/12/2022	30/06/2027	\$0.00	1,044,409	-	-	-	1,044,409
01/12/2022	30/11/2027	\$0.16	1,750,000	-	-	-	1,750,000
11/08/2023	11/08/2025	\$0.12	-	2,000,000	-	-	2,000,000
11/08/2023	30/06/2024	\$0.10	-	9,875,500	-	-	9,875,500
22/08/2023	30/06/2024	\$0.10	-	1,250,000	-	-	1,250,000
06/10/2023	30/06/2024	\$0.10	-	937,500	-	-	937,500
			8,421,469	14,063,000	-	(1,369,738)	21,114,731
Weighted average exercise price			\$0.21	\$0.10	\$0.00	\$0.55	\$0.12

Bod Science Limited (subject to a Deed of Company Arrangement)
Notes to the financial statements
31 December 2023

Note 18. Share-based payments (continued)

31 Dec 2022

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
07/08/2018	30/06/2023	\$0.50	750,000	-	-	-	750,000
07/08/2018	30/06/2024	\$0.50	1,000,000	-	-	-	1,000,000
09/12/2019	09/12/2022	\$0.47	2,750,000	-	-	(2,750,000)	-
24/12/2020	18/12/2023	\$0.75	500,000	-	-	-	500,000
01/07/2021	21/12/2026	\$0.00	109,416	-	-	-	109,416
22/12/2021	21/12/2026	\$0.00	130,060	-	-	-	130,060
01/07/2022	30/06/2027	\$0.00	-	1,706,376	-	-	1,706,376
14/10/2022	14/10/2024	\$0.12	-	2,000,000	-	-	2,000,000
01/12/2022	30/06/2027	\$0.00	-	1,044,409	-	-	1,044,409
01/12/2022	30/11/2027	\$0.16	-	1,750,000	-	-	1,750,000
			<u>5,239,476</u>	<u>6,500,785</u>	<u>-</u>	<u>(2,750,000)</u>	<u>8,990,261</u>
Weighted average exercise price			\$0.49	\$0.08	\$0.00	\$0.47	\$0.20

Set out below are the options exercisable at the end of the financial period:

Grant date	Expiry date	31 Dec 2023 Number	30 Jun 2023 Number
07/08/2018	30/06/2023	-	750,000
07/08/2018	30/06/2024	1,000,000	1,000,000
24/12/2020	18/12/2023	-	500,000
14/10/2022	14/10/2024	2,000,000	2,000,000
01/12/2022	30/11/2027	1,750,000	-
01/12/2022	30/06/2024	348,136	-
11/08/2023	11/08/2025	2,000,000	-
11/08/2023	30/06/2024	9,875,500	-
22/08/2023	30/06/2024	1,250,000	-
06/10/2023	30/06/2024	937,500	-
		<u>19,161,136</u>	<u>4,250,000</u>

Bod Science Limited (subject to a Deed of Company Arrangement)
Notes to the financial statements
31 December 2023

Note 19. Events after the reporting period

On 9 February 2024, the company signed a Heads of Agreement with Biortica, which proposed that the company enter into a DOCA. Pursuant to the terms of the DOCA proposal, Biortica agreed to contribute \$380,000 to a deed fund and to a proposal by which ultimately the company will acquire all of the issued share capital in Biortica in consideration for the issue of shares in the company to the shareholders and noteholders of Biortica (a backdoor listing). The Voluntary Administrators recommended that creditors accept the DOCA proposal, which was subsequently approved at a meeting of creditors of the company held on 8 April 2024.

On 15 March 2024, AusIndustry approved the consolidated entity's research and development overseas finding and on 28 March 2024, an amended income tax assessment for the year ended 30 June 2023 was lodged with the Australian Taxation Office. An amount of \$281,690 was received in cash on 13 May 2024, representing research and development tax incentive revenue of \$363,865 relating to overseas research and development expenditure incurred in the year ended 30 June 2023, net of amounts payable to the Australian Tax Office.

As noted above, the second meeting of the company's creditors was held on 8 April 2024. The outcome of the meeting was, inter alia, that the company's creditors accepted the DOCA proposal. The DOCA was executed on 24 April 2024.

On 11 April 2024, the company informed the landlord of its Double Bay office premises that it would cease to operate from those premises as of that date.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Bod Science Limited (subject to a Deed of Company Arrangement)
Administrators' declaration
31 December 2023

In the Administrators' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable. This excludes debts incurred as at 29 November 2023 and subject to the Deed of Company Arrangement proposal.

Signed by Bod Science Limited (subject to a Deed of Company Arrangement) by its Deed Administrator.



Andrew Barnden
Deed Administrator

18 July 2024
Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT

nexia.com.au

To the members of Bod Science Limited

Report on the Half-Year Financial Report

Disclaimer of Conclusion

We were engaged to review the accompanying half-year financial report of Bod Science Limited and its subsidiaries ("the Group") which comprises the consolidated Statement of Financial Position as at 31 December 2023, the consolidated Statement of Comprehensive Income, consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the half-year ended on that date, and notes to the financial statements, including material accounting policy information, and the Deed Administrators' Declaration.

We do not express a conclusion on the accompanying half-year financial report of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Conclusion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for a review conclusion on this half-year financial report.

Basis for Disclaimer of Conclusion

As described in Note 1, the Deed Administrator has prepared the half-year financial report on the going concern basis. We have not been able to obtain sufficient appropriate audit evidence as to whether the Group will be able to successfully complete the actions and initiatives detailed in Note 1 nor have we obtained sufficient appropriate audit evidence regarding the Group's forecast future cashflows and the availability of finance facilities which we consider necessary to determine whether the going concern basis of accounting is appropriate.

As a result, we are unable to determine whether the going concern basis for the preparation of the half-year financial report is appropriate.

The above matters are so material and pervasive to the financial report that we are unable to express a conclusion on the financial report taken as a whole.

Responsibility of the Administrator for the Financial Report

The Deed Administrator is responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the administrators determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. However, because of the matters described in the Basis for Disclaimer of Conclusion section, we were not able to obtain sufficient evidence to provide a basis for a review conclusion on the financial report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the Deed Administrator, would be in the same terms if given to the administrators as at the time of this auditor's review report.

Nexia

Nexia Sydney Audit Pty Ltd



Erin Tanyag
Director

Dated: 18 July 2024

Sydney