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 year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

2. Results for announcement to the market

				$
Revenues from ordinary activities	down	49.0%	to	875,559
Loss from ordinary activities after tax attributable to the owners of Bod Science Limited	down	19.4%	to	(6,412,941)
Loss for the year attributable to the owners of Bod Science Limited	down	19.4%	to	(6,412,941)

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 $6,412,941 (30 June 2023: $7,953,136).

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

3. Net tangible liabilities

	Consolidated	
	2024	2023
	$	$
Net liabilities	(5,318,148)	(703,364)
Less: Intangibles	(21,710)	(130,681)
Net tangible liabilities	(5,339,858)	(834,045)
	Number	Number
Number of ordinary shares on issue	177,338,493	153,212,493
	Cents	Cents
Net tangible liabilities per ordinary security	(3.01)	(0.54)

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.

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 entities

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 have been audited and the audit report is attached as part of the financial report.

10. Attachments

Details of attachments (if any):

The Deed Administrator's report and annual financial statements of Bod Science Limited for the year ended 30 June 2024 are attached.

Signed ____________________ Date: 1 November 2024

Andrew Barnden

Deed Administrator

Sydney

Contents

Corporate Directory

Deed Administrator

Andrew Barnden

Board of Directors

Jo Patterson, Chief Executive Officer

David Baker, Chairman

George Livery, Non-Executive Director

Akash Bedi, Non-Executive Director

Company Secretary

Carlie Hodges

Principal Place of Business

Level 1, 44 Martin Place

Sydney NSW 2000

Auditor

Nexia Sydney Audit Pty Limited

Share Register

Link Market Services Limited

Level 12, 680 George Street

Sydney NSW 2000

ASX Listing

Australian Securities Exchange Code: BOD

Website

www.bodscience.com

Letter from the Deed Administrator

Dear Shareholders,

Presented herewith is the Annual Report and financial statements of Bod Science Limited (the Company) and its subsidiaries (the Group) for the year ended 30 June 2024 (FY2024).

As you are probably aware, the Company requested a voluntary suspension of trading in its securities on 28 November 2023 and the ASX approved this suspension on the same day. The Company's securities have remained suspended from trading since this date.

Following the failure of a capital raise announced on 8 November 2023 due to a delay in the receipt of Tranche 1 of the placement, on 29 November 2023 the Board of Directors appointed Brent Morgan and myself, both of Rodgers Reidy, as Joint and Several Voluntary Administrators of the Company (Administrators) 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.

Following a process to consider opportunities to obtain funding from interested parties and/or sell the business, the Company signed a Heads of Agreement with Biortica Agrimed Limited (Biortica) on 9 February 2024, which proposed that the Company enter into a Deed of Company Arrangement (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 issuing of shares in the Company to the shareholders and noteholders of Biortica (a backdoor listing). The Administrators recommended that creditors accept the DOCA proposal at a meeting of creditors of the Company 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 and I became the Deed Administrator. The Company continues to trade under the DOCA and will remain in suspension throughout the deed administration process.

A shareholders meeting will be scheduled at which shareholders will consider and vote in respect to the various resolutions pursuant to the DOCA and associated documents. If shareholders vote in favour of all of the proposed resolutions, then the backdoor listing will proceed 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.

It is expected that a notice of meeting will be sent to the Company’s shareholders in late 2024, informing them that a shareholders meeting has been scheduled at which the shareholders will vote upon the various abovementioned resolutions.

I would like to take this opportunity to thank the Company’s staff, customers, suppliers and shareholders for their support through what has a been a difficult time for the business.

Andrew Barnden
Deed Administrator

Review of Operations

Phase IIB Clinical Trial of Schedule 3 CBD

The Company made significant advancements in the early part of the FY2024 financial year on its phase IIB clinical trial for a new Schedule 3 (pharmacist only) CBD product for the Australian market. The double blind randomised and placebo-controlled trial was undertaken by Australia's leading sleep research organisation, the Woolcock Institute of Medical Research, assessing the efficacy of a uniquely developed CBD formulation on symptoms associated with insomnia in 208 participants over 8 weeks; 194 completed the study and 208 were included in the intent to-treat study population.

The study design randomised patients to receive daily doses of double-blind study medication of either CBD 50mg, CBD 100mg or placebo. The statistically powered primary endpoint compared Insomnia Severity Inventory (ISI) scores for each dose compared to placebo. ISI is a patient questionnaire completed at baseline (before study medication), then at week 4 and week 8, with an objective to measure 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. 'Last patient, last visit' milestone was reached in July 2023, with all patients completing the Can-Rest insomnia trial, deemed as the final step in R&D for this new product.

Preliminary topline results were returned in September 2023, with CBD 100mg showing statistical significance over placebo for the primary endpoint from short term insomnia with a p-value of 0.04 in the per protocol group. Safety and tolerability of both CBD doses were also assessed, with no safety concerns identified.

The clinical trial elevated the Group as a cannabis focussed drug development innovation company, with its unique CBD formulation in soft gel format considered as the only advanced Schedule 3 CBD product candidate for the Australian market. Schedule 3 products can be sold to Australian consumers over-the-counter (OTC) without a prescription.

In December 2023, the Company met with the TGA for a pre-submission meeting to discuss and present the findings and seeking clarifications in relation in relation to any potential dossier submission.

Acquisition of Aqua Phase Technology

Pharmacokinetic (PK) studies for the Aqua Phase delivery technology were completed early in FY2024, with an initial PK study of 10 healthy volunteers conducted to evaluate the bioavailability of CBD in capillary blood samples.

A condition of the acquisition of the technology required successful proof in a human PK study that Aqua Phase had a 30% or greater improved bioavailability as determined by the area under the curve compared with CBD oil. The results from the PK study were that bioavailability improved by 311% (over 4 times), statistically outperforming CBD oil. The maximum concentration (Cmax) was statistically significantly higher at 277% (almost 4 times) more than CBD oil. Aqua Phase as a technology applied to CBD, conferred enhanced absorption and bioavailability.

The second PK study used venous blood samples from 12 healthy volunteers, which returned consistent results with 6 times greater bioavailability than CBD in oil. Importantly, it also showed that Aqua Phase is faster-acting, reaching its maximum concentration in two and a half hours versus six hours for CBD in oil. This significantly enhances its absorption and tolerability for users, with no taste or smell, with the potential to substantially improve existing oil-based drugs which are used to assist several health conditions.

The findings support the commercialisation of the Aqua Phase technology, concluding the research and development phase of work.

Following completion of all precedent conditions, the Group successfully acquired 'Aqua Phase' in August 2023, providing multiple opportunities to expand the Group's business. The initial payment of £1,000,000 ($1,946,283) was made under the acquisition agreement and the Group now holds the rights to use the 'Aqua Phase' invention. The Company has the potential to licence the technology to industries looking to solve absorption issues of drugs and ingredients for pharmaceutical companies, beverage manufacturers and consumer healthcare companies globally. Benefits offered by Aqua Phase are multi-dimensional, including lower-cost manufacturing, reduced dose and hence cost of medicines, reduction in adverse side effects and improved therapeutic outcomes.

Financial Summary

The loss for the Group after providing for income tax amounted to $6,412,941, a 19% decrease on FY2023 ($7,953,136). The loss for the 31 December 2023 first half was $6,140,001 (H1 FY2023: $3,171,678) while the loss for the second half to 30 June 2024 was $272,940 (H2 FY2023: $4,781,458).

Total revenue for the year was $875,559, a 49% decrease on FY2023 ($1,718,190).

Sales revenue from the Group's MediCabilis® and Bod Flora medicinal cannabis products ranges in Australia and the UK was $610,061, a 35% decrease on FY2023 ($933,287). Sales of the Group's MediCabilis® CBD products have continued to fall, reflecting the market's continued move to THC flower products in Australia (which the Group was not previously able to participate in), as well as reduced scripts issued in the UK market. The Group launched its first Bod Flora THC product in Australia in December 2023 and launched a further five THC products during the second half of the year. THC sales earned during the year were $224,590, with sales of $1,380 in the December 2023 quarter, sales of $52,462 in the March 2024 quarter and sales of $170,748 in the June 2024 quarter.

Non-CBD, over-the-counter, legacy health and beauty products generated $255,100 in sales (FY2023: $440,201). The decrease in sales reflects the Group's exit from this business early in the second half of the year to allow it to focus on growing its medical cannabis division. There were no sales of CBD and hemp products to Health and Happiness Group Limited ('H&H', HKSE: 1112) during the year (FY2023: $294,565) as H&H has discontinued their CBII range of products sold in the UK and US markets.

Other income generated for the year included $1,980,672 in R&D tax incentives (FY2023: $1,356,576) following increased research and development expenditure in the 2023 year. The Group's main activity focused on its major R&D projects, including Schedule 3 OTC Phase IIB insomnia study and Aqua Phase pharmacokinetic study. The Group also recognised funding income of $966,782, reflecting payments made by Biortica to fund the costs of the business from February to June 2024.

Excluding one-off inventory write-offs in both the current and prior year, the Group's gross profit margin was 40% compared to 44% for the prior year. The decrease in margin arose mainly in the Medical business due to price decreases, as well as a reduction in royalties from H&H.

Gross profit decreased from $696,401 to $265,900. The Group recognised an impairment of the Aqua Phase intangible of $1,946,283, an impairment of the right-of-use asset of $1,295,227 and an impairment of patents and trademarks of $93,456 (total impairments of $3,334,966). These increased costs were offset by an increase in research and development tax incentive of $624,096 and total expense savings of $4,143,938 (a 40% decrease on the prior year).

Research and development costs decreased by $2,255,820 (65%) as the Schedule 3 OTC Phase IIB insomnia study and the Aqua Phase pharmacokinetic studies reached their conclusions during the first half of the year and further research and development costs were cancelled following the company entering into voluntary administration. Employee and director benefits expense decreased by $1,079,919 (35%) due to a reduction in the number of employees, directors' fees being suspended upon entering voluntary administration and zero short-term incentives being recognised in the current year as well as the partial reversal of prior year short-term incentives. Distribution expenses decreased by $186,140 (48%) due to the reduction in sales activity, while marketing expenses decreased by $240,880 (53%) as the Group reduced discretionary expenses and share-based payments decreased by $385,130 (70%) due to shares issued for marketing services in the prior year at a cost of $375,000. Interest costs of $152,273 (2023: $27,351) were incurred on loans from Radium Capital which were secured against the research and development tax incentive and on the lease for the company's office premises.

During the year, the Group raised capital of $1,784,057 (net of fees) and made a net repayment of borrowings to Radium Capital of $938,244. At the end of the year, the Group was in a net bank overdraft position of $25,960.

Capital raise

The Company announced in August 2023 that it had received firm commitments for a $1.9 million equity placement at an offer price of $0.08 per share. The Placement was backed by professional and sophisticated investors, with proceeds 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.

Financial Statements

30 June 2024

The Deed Administrator presents his report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Bod Science Limited (subject to a Deed of Company Arrangement) (referred to hereafter as 'Bod Science Limited', the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

The names of the directors 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 year and to the date of this report unless otherwise stated.

Principal activities

The principal activities of the consolidated entity during the 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 year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $6,412,941, a 19% decrease on the previous corresponding period (PCP) (2023: $7,953,136). The loss for the 31 December 2023 first half was $6,140,001 (31 December 2022: $3,171,678) while the loss for the second half to 30 June 2024 was $272,940 (second half to 30 June 2023: $4,781,458).

Total revenue for the year was $875,559, a 49% decrease on the PCP (2023: $1,718,190).

Sales revenue from the consolidated entity's MediCabilis® and Bod Flora medicinal cannabis products ranges in Australia and the UK was $610,061, a 35% decrease on the PCP (2023: $933,287). Sales of the consolidated entity's MediCabilis® CBD products have continued to fall, reflecting the market's continued move to Tetrahydrocannabinol (THC) flower products in Australia (which the consolidated entity was not previously able to participate in), as well as reduced scripts issued in the UK market. The consolidated entity launched its first Bod Flora THC product in Australia in December 2023 and launched a further five THC products during the second half of the year. THC sales earned during the year were $224,590, with sales of $1,380 in the December 2023 quarter, sales of $52,462 in the March 2024 quarter and sales of $170,748 in the June 2024 quarter.

Non-CBD, over the counter, legacy health and beauty products generated $255,100 in sales (2023: $440,201). The decrease in sales reflects the consolidated entity's exit from this business early in the second half of the year to allow it to focus on growing its medical cannabis division. There were no sales of CBD and hemp products to Health and Happiness Group Limited ('H&H', HKSE: 1112) during the year (2023: $294,565) as H&H has discontinued their CBII range of products sold in the UK and US markets.

Other income generated for the year included $1,980,672 in R&D tax incentives (2023: $1,356,576) following increased research and development expenditure in the 2023 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. The consolidated entity also recognised funding income of $966,782, reflecting payments made by Biortica to fund the costs of the business from February to June 2024.

Excluding one-off inventory write-offs in both the current and prior year, the consolidated entity's gross profit margin (defined as revenue less raw materials and consumables used and impairment of inventory, divided by revenue) was 40% compared to 44% for the prior year. The decrease in margin arose mainly in the Medical business due to price decreases, as well as a reduction in royalties from H&H.

The consolidated entity's loss from ordinary activities was $6,412,941, a 19% decrease on the PCP (2023: $7,953,136). Gross profit (defined as revenue less raw materials and consumables used) decreased from $696,401 to $265,900. The consolidated entity recognised an impairment of the Aqua Phase intangible of $1,946,283, an impairment of the right-of-use asset of $1,295,227 and an impairment of patents and trademarks of $93,456 (total impairments of $3,334,966). These unfavourable movements were offset by an increase in research and development tax incentive of $624,096 and total expense savings of $4,143,938 (a 40% decrease on the prior year). Research and development costs decreased by $2,255,820 (65%) as the Schedule 3 OTC Phase IIB insomnia study and the Aqua Phase pharmacokinetic studies reached their conclusions during the first half of the year and further research and development costs were cancelled following the Company entering into voluntary administration. Employee and director benefits expense decreased by $1,079,919 (35%) due to a reduction in the number of employees, directors' fees being suspended upon entering voluntary administration and zero short-term incentives being recognised in the current year as well as the partial reversal of prior year short-term incentives. Distribution expenses decreased by $186,140 (48%) due to the reduction in sales activity, while marketing expenses decreased by $240,880 (53%) as the consolidated entity reduced discretionary expenses and share-based payments decreased by $385,130 (70%) due to shares issued for marketing services in the prior year at a cost of $375,000. Interest costs of $152,273 (2023: $27,351) were incurred on loans from Radium Capital which were secured against the research and development tax incentive and on the lease for the Company's office premises.

During the 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 $1,946,283 relating to this acquisition during the year. It also raised capital of $1,784,057 (net of fees) and made a net repayment of borrowings to Radium Capital of $938,244. At the end of the year, the consolidated entity was in a net bank overdraft position of $25,960.

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 a 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.

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

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 Administrators recommended that creditors accept the DOCA proposal at a meeting of creditors of the Company 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.

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

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2024 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.

Likely developments and expected results of operations
A shareholders meeting will be scheduled at which shareholders will consider and vote in respect to the various resolutions pursuant to the DOCA and associated documents. If shareholders vote in favour of all of the proposed resolutions, then the backdoor listing will proceed 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.

It is expected that a notice of meeting will be sent to the Company's shareholders in late 2024, informing them that a shareholders meeting has been scheduled at which the shareholders will vote upon the various abovementioned resolutions.

If the approval of the DOCA proposal is received from shareholders and the ASX, 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 continue to operate.

Material business risks
The operating and financial performance of the consolidated entity is influenced by a variety of general economic and business conditions that affect all industries, some of which are beyond the consolidated entity's reasonable control. These conditions include, but are not limited to: general economic conditions in jurisdictions in which the business operates; changes to Government and Regulatory Agencies' fiscal, monetary, regulatory and taxation policies in jurisdictions where it operates; the strength of equity and share markets in Australia and internationally, and in particular investor sentiment towards the bio-pharmaceuticals sector; fluctuations and outlook on interest rates and inflation rates in jurisdictions where the business operates; and global geo-political events, natural disasters, social disruption or war in jurisdictions in which the consolidated entity operates.

The business risks assessed as having the potential to have a material impact on the business, operating and/or financial results and performance of the consolidated entity include:

(a) Competition and new technologies
The bio-pharmaceuticals industry and more specifically the medicinal cannabis sector is highly competitive. Should any of the consolidated entity's competitors participate more aggressively on price, product, innovation or other means, this could adversely impact the financial and operating performance of the business.

The consolidated entity seeks to mitigate this risk by closely monitoring the competitive landscape, forming commercial relationships with highly regarded counterparties and developing innovative and unique product formulations.

(b) Reputational risks
The consolidated entity takes pride in its values and mission, ensuring that its strategy (supported by policies, standards and procedures) remains consistent with these core values.

The consolidated entity operates in a fast-changing environment and negative publicity can spread quickly, whether true or false. Negative comments by disgruntled customers or a failure to meet the expectations of health care professionals may have a disproportionate effect on the reputation of the business and its ability to earn revenues and profits.

The consolidated entity conducts regular audits of its manufacturing partners to ensure that they meet appropriate standards of GMP.

The business has established brand and intellectual property protection strategies which protect its brands and products.

(c) People and culture
The consolidated entity's success is reliant on attracting and retaining experienced, skilled and motivated talent, including Directors and management. Loss of key personnel could have an adverse impact on business performance.

The consolidated entity has in place employment arrangements designed to create an environment to attract and retain talent consistent with and aligned to its stated values and mission. Performance-based incentives exist for every staff member to drive business performance and are aligned to business strategy and vision. The culture is driven by a consistent tone from the top and aligned incentives.

The consolidated entity has established flexible workplace and work from home policies and procedures.

(d) Outsourcing
The consolidated entity outsources to consultants and professional services firms for expert advice and to contract organisations for research, clinical and manufacturing services and there is no guarantee that such experts or organisations will be available as required or will meet expectations.

The consolidated entity manages this risk through engaging with reputable and well-established counterparties, monitoring of counterparty performance against agreed standards and ensuring that appropriate contractual arrangements are in place to protect the interests of the business.

(e) Liability claims and litigation
As with all pharmaceutical products, even after the granting of regulatory approval, there is no assurance that unforeseen adverse events or development defects will not arise. The consolidated entity may be exposed to liability claims, disputes and litigation in relation to its operations and customers. Proceedings may result in reputational damage and cause the business to expend significant financial and managerial resources to defend against such claims. If a successful claim is made against the consolidated entity, its reputation and brand may be negatively impacted or it may be subject to regulatory fines or penalties resulting in adverse effects on business prospects, financial performance and financial position.

The business has developed detailed processes to ensure the safety of its products.

(f) Research and development
An important aspect of the consolidated entity's business is to continue to invest in innovation and related product development opportunities. The business believes that it must continue to dedicate resources to innovation efforts and expand its product offering to maintain its competitive position. Developing new products is expensive and often involves an extended period of time to achieve a return on investment. The business may not, however, receive benefits from this investment for several years or may not receive benefits at all.

The consolidated entity has established a highly experienced Medical Advisory Board and engages highly reputable research partners to assist with the design and management of its research and development activities. However, all discretionary expenditure, including research and development, has been reduced to minimal levels due to the Company entering into voluntary administration in November 2023.

(g) Clinical testing
Clinical trials may be required for the consolidated entity's products to receive government and regulatory approval. There is no guarantee that the clinical trials will produce a positive result demonstrating safety and efficacy, that they will be conducted and completed quickly or cost effectively or that regulatory agencies will allow the business to undertake such trials. Any of these events will impact the timeline for commercialising a product and the financial performance of the business.

The consolidated entity engages highly reputable research partners to assist with the design and management of its clinical studies. However, all discretionary expenditure, including clinical trials, has been reduced to minimal levels due to the Company entering into voluntary administration in November 2023.

(h) Intellectual property protection
The future commercial success of the consolidated entity's products relies upon its ability to obtain and maintain legal protection for its intellectual property. Failure to do so may erode the competitive position of the business and adversely impact its operations, financial position and financial performance.

(i) Regulatory environment
The sale of the consolidated entity's medicinal cannabis products is highly regulated. The business sells products in the Australian and United Kingdom jurisdictions and it must comply with changes in government legislation and regulatory requirements across these jurisdictions. Changes in regulations may expose the business to increased compliance costs and resources, licensing and reporting obligations, breaches of law, criminal or civil claim and increased product requirements.

The consolidated entity employs specialised and experienced resources and teams (Quality, Regulatory, etc) to oversee and educate stakeholders of relevant regulatory requirements and monitor potential changes. Where required, the business also engages specialist advisors to support legal and regulatory oversight for new and emerging markets.

The business actively engages with key government, industry and regulatory bodies to stay abreast of regulatory and policy changes.

(j) Future profitability
The consolidated entity is still in the early stages of commercialising its market portfolio of medicinal cannabis products. To date, it has funded operations principally through issuing equity securities, revenue derived from contracts with its customers and marketing arrangements with third parties, research and development tax incentives and government grants. If the business is unable to continue to grow sales of its existing products, or successfully develop and commercialise new products, it may not achieve profitability in the future.

(k) Future capital needs
Further funding will be required by the consolidated entity to support its ongoing activities and operations. The business may seek to raise further capital through equity or debt financing, sub-licensing arrangements or other means to secure additional funds. There is no guarantee that such funding will be available on satisfactory terms or at all. Failure to obtain future funding may adversely impact the operations, financial performance and financial position of the business.

Prior to the appointment of the Administrators, a major focus of the consolidated entity's Board and management was on ongoing cash flow forecasting and management of cash flows to ensure that the business has sufficient funds to cover its planned activities and any ongoing obligations. In November 2023, the Company entered voluntary administration and subsequently signed a Heads of Agreement with Biortica in February 2024, 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). If successful, the backdoor listing of Biortica has the potential to provide the consolidated entity with a sustainable source of debt and equity funding.

(l) Financial and insurance
Fluctuations in foreign currencies and interest rates and major events (eg, COVID-19) can significantly impact the profitability, cash flow and results of the consolidated entity.

The business prepares monthly results and cashflow forecasts to measure progress against the annual budget and, prior to entering into voluntary administration, these forecasts were communicated to the Board each month. This enables the business to proactively manage risks and pursue opportunities. Full-year and half-year results are subject to external audit and, prior to entering voluntary administration, the auditor reported to the Audit and Risk Committee.

The consolidated entity maintains comprehensive insurance coverage across a number of parts of the business (including for clinical trials) to minimise the financial impact of unforeseen events and enable timely recovery to business-as-usual operations if required.

(m) Cyber security and data management
Data and information security is essential to protect business critical intellectual property and data privacy. Continuing advances in technology, systems and communication channels mean increasing amounts of private and confidential data are now stored electronically. This, together with increasing cyber-crime, heightens the need for robust data security measures.

The consolidated entity's specialist external IT resource monitors, assesses and responds to continually evolving cyber threats to keep pace with changing security needs. The business uses ongoing technology and software updates to protect its data and technology services and ensures restricted management of sensitive personal, business, supplier and customer data.

(n) Environmental and social
More frequent and severe weather events and longer-term shifts in climate patterns could result in the consolidated entity's assets being impaired. Assets in certain industries could also lose value from not aligning with the transition to new technologies, regulations or consumer trends. The consolidated entity's reputation could also be impacted by inadequate environmental and social commitments and progress towards them, including financing and engaging with organisations that do not meet stakeholder expectations.

The consolidated entity continues to enhance its tools, data and methodologies across a range of business processes to better identify, assess and manage environmental and social risks to the consolidated entity.

Environmental regulation
The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law, or other countries in which it operates.

Information on directors

Name:	David Baker
Title:	Non-Executive Chairman
Qualifications:	BA, LLB(Hons)
Experience and expertise:	David is a commercial advisor and company director with over 40 years' experience in law, investment banking, public company leadership and corporate governance. He has deep industry knowledge across a range of sectors and a sophisticated understanding of financial markets. David is also a co-founder of Baker Cook Advisory which is a boutique provider of outsourced legal, commercial and governance advice and mediation services for corporations and government agencies.
Other current directorships:	None
Former directorships (last 3 years):	Mineral Commodities Limited (ASX:MRC) – retired January 2022
Special responsibilities:	Chair of the Audit and Risk Committee and Member of the Remuneration and Nominations Committee
Interests in shares:	6,375,000 ordinary shares
Interests in options:	750,000 options over ordinary shares

Name:	George Livery
Title:	Non-Executive Director
Qualifications:	Fellow of the Australian Marketing Institute
Experience and expertise:	George has enjoyed senior executive roles across numerous industries for the last 30 years, both domestically and internationally as an expat. A C-level executive for the last 25 years, George's career has included CEO of Village Cinemas Australia, COO of Village International, Commercial Director at Hoyts Ltd, Director of Operations (Non-Academic Services) at University of Sydney's USU, both Commercial Director at Swisse Vitamins and Director of Strategy & Corporate at Swisse Wellness Group. Most recently George has enjoyed Chairperson, Non-executive Director and CoSec roles on ASX listed and private companies. George also led the corporate integration of Swisse Wellness into the Hong Kong listed H&H Group of companies and enjoyed a dual role during that time as Group Senior VP Legal and Risk. George has held numerous board positions across a number of industries including the NFP sector.
Other current directorships:	None
Former directorships (last 3 years):	The Hydration Pharmaceutical Company Limited (ASX:HPC) – retired May 2024
Special responsibilities:	Chair of the Remuneration and Nominations Committee and Member of the Audit and Risk Committee
Interests in shares:	395,295 ordinary shares
Interests in options:	500,000 options over ordinary shares

Name:	Joanne (Jo) Patterson
Title:	Chief Executive Officer
Qualifications:	MBus Marketing (University of Technology Sydney)
Experience and expertise:	Jo has held multiple CEO and Managing Director roles over her career. She has more than 20 years of business experience in Australia and overseas. She has successfully developed a number of businesses from start-up. She has also grown established organisations through mergers and acquisitions. The breadth of her commercial acumen is evidenced by her leadership of successful companies in the technology, advertising and beauty sectors. She has received a number of business awards. Her wide and diverse experiences led her to establish Bod in 2014 and then to subsequently list the business on the ASX in 2016.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	7,175,000 ordinary shares
Interests in options:	696,273 options over ordinary shares

Name:	Akash Bedi
Title:	Non-Executive Director
Qualifications:	Bachelor of Engineering (Mechanical), MBA Cardiff Business School
Experience and expertise:	Akash is the Chief Strategy and Operations Officer of Health & Happiness International Holdings Limited from December 2019. He joined the Group in July 2018 as Senior Director of Strategy and Corporate Affairs. As part of his role at the Group, Akash is responsible for overall procurement, logistics, production and supply chain for all H&H Group brands and is also responsible for developing business strategies and roadmaps, identifying growth opportunities and strengthening the Group's industry and market insight capabilities. In the last three years, he has been successfully leading and managing the Swisse business for India and the Middle Eastern market. Akash also leads mergers and acquisitions for the Group and strategic investments for NewH2 Fund (the corporate venture subsidiary of the Group), which focuses on investing in global startups and high-growth companies with technologies and businesses of strategic importance. Prior to joining H&H, Akash held the position of Director, Global Consumer & Retail at HSBC for over 10 years from May 2008 where he worked on highly complex mergers and acquisition transactions from its global offices in New York, London and Hong Kong. Akash obtained a Bachelor degree of Engineering (Mechanical) from Manipal Institute of Technology, India in 2005 and an MBA degree from the Cardiff Business School in the UK in 2006.
Other current directorships:	Else Nutrition Holdings, Inc
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares:	None
Interests in options:	500,000 options over ordinary shares

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Carlie Hodges has held the role of Company Secretary since January 2023.

Carlie is a practising corporate and commercial lawyer, holds a Graduate Diploma in Applied Corporate Governance and is a Fellow Member of the Governance Institute of Australia.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024 and the number of meetings attended by each director were:

	Full Board		Audit and Risk Committee		Remuneration and Nominations Committee	
	Attended	Held	Attended	Held	Attended	Held
Jo Patterson	8	8	-	-	-	-
David Baker	8	8	1	1	1	1
George Livery	8	8	1	1	1	1
Akash Bedi	5*	8	1	1	-	-

* Akash Bedi was recused from attending a Board meeting on 21 August 2023 due to a conflict of interest.

Held represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration;
- Details of remuneration;
- Service agreements;
- Share-based compensation;
- Additional information; and
- Additional disclosures relating to key management personnel.

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparent.

The Remuneration and Nominations Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The Remuneration and Nominations Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Remuneration and Nominations Committee has considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Remuneration and Nominations Committee. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The maximum remuneration for non-executive directors' remains at $300,000 per annum unless specifically approved by shareholders. All directors are entitled to be paid all travelling and other expenses properly incurred by them in attending, participating in and returning from meetings of the directors or any committee of directors or general meetings of the Company or otherwise in connection with the business of the Company.

Executive remuneration
The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and employee leave entitlements.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Remuneration and Nominations Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPIs') being achieved. KPIs include the consolidated entity achieving targeted net profits for each financial year.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders' value relative to the entire market and the increase compared to the consolidated entity's direct competitors.

Consolidated entity performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined profit targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Remuneration and Nominations Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholder return for the last five years.

Use of remuneration consultants
During the financial year ended 30 June 2024, the consolidated entity did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs.

Voting and comments made at the Company's 2023 Annual General Meeting ('AGM')
At the 2023 AGM, 98.1% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following:
- Jo Patterson - Chief Executive Officer;
- David Baker - Non-Executive Chairman;
- George Livery - Non-Executive Director;
- Akash Bedi - Non-Executive Director;
- Craig Weller - Chief Technology Officer;
- Adrian Sturrock - Chief Financial Officer; and
- Hanno Cappon - Non-Executive Director (resigned on 9 November 2022).

The amount of remuneration of directors and key management personnel is set out below.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2024	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Employee benefits $	Equity-settled $	Total $
Non-Executive Directors:							
David Baker	29,175	-	-	-	-	1,377	30,552
George Livery	20,093	-	-	2,210	-	918	23,221
Akash Bedi	22,203	-	-	-	-	918	23,121
Executive Director:							
Jo Patterson	180,949	-	885	18,860	(19,652)	28,236	209,278
Other Key Management Personnel:							
Craig Weller	169,649	-	(56)	18,299	(13,770)	21,268	195,390
Adrian Sturrock	275,426	-	20,199	27,500	2,439	16,467	342,031
	697,495	-	21,028	66,869	(30,983)	69,184	823,593

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2023	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Employee benefits $	Equity-settled $	Total $
Non-Executive Directors:							
David Baker	70,020	-	-	-	-	19,348	89,368
George Livery	48,224	-	-	5,063	-	12,899	66,186
Akash Bedi	53,287	-	-	-	-	12,899	66,186
Hanno Cappon	19,095	-	-	-	-	-	19,095
Executive Director:							
Jo Patterson	372,766	72,526	(1,503)	22,948	10,280	47,448	524,465
Other Key Management Personnel:							
Craig Weller	308,636	61,014	(18,222)	24,267	8,649	48,466	432,810
Adrian Sturrock	288,952	57,481	5,252	24,672	1,273	36,711	414,341
	1,160,980	191,021	(14,473)	76,950	20,202	177,771	1,612,451

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2024	2023	2024	2023	2024	2023
Non-Executive Directors:						
David Baker	95%	78%	-	-	5%	22%
George Livery	96%	81%	-	-	4%	19%
Akash Bedi	96%	81%	-	-	4%	19%
Hanno Cappon	-	100%	-	-	-	-
Executive Director:						
Jo Patterson	87%	77%	-	14%	13%	9%
Other Key Management Personnel:						
Craig Weller	89%	75%	-	14%	11%	11%
Adrian Sturrock	95%	77%	-	14%	5%	9%

Service agreements

Remuneration and other terms of employment for executive key management personnel are formalised in service agreements. Details of these agreements are as follows.

Name:	Jo Patterson
Title:	Chief Executive Officer
Agreement commenced:	5 September 2016
Term of agreement:	Period of three years commencing on the date on which the Company was admitted to the Official Listing of the ASX. After the initial period the agreement remains in full force and effect unless terminated. Prior to the appointment of the Administrators, the Board agreed to continue on the same terms and conditions, other than a reduction in remuneration and an extension of Jo's notice period to six months.
Details:	During the year ended 30 June 2024, Jo was paid an annual salary of $180,949 exclusive of statutory superannuation payments. Prior to the appointment of the Administrators, her total remuneration package was reviewed annually by the Board, with any changes to be effective from 1 July each year. Jo may become entitled to an annual cash bonus and issue of options, subject to satisfying key performance indicators ('KPIs'). The Company may terminate Jo's employment summarily because of, among other things, misconduct or failure to perform duties specified in the Agreement and involvement in any illegal business practices. The Company can also terminate Jo's employment by giving six months' notice in writing (or payment in lieu of notice).

Name:	Craig Weller
Title:	Chief Technology Officer
Agreement commenced:	5 September 2016
Term of agreement:	Period of three years commencing on the date on which the Company was admitted to the Official Listing of the ASX. After the initial period the agreement remains in full force and effect unless terminated. Prior to the appointment of the Administrators, the Board agreed to continue on the same terms and conditions, other than a reduction in remuneration and an extension of Craig's notice period to six months.
Details:	During the year ended 30 June 2024, Craig was paid an annual salary of $169,649 exclusive of statutory superannuation payments. Prior to the appointment of the Administrators, his total remuneration package was reviewed annually by the Board, with any changes to be effective from 1 July each year. Craig may become entitled to an annual cash bonus and issue of options. The Company may terminate Craig's employment summarily because of, among other things, misconduct or failure to perform duties specified in the Agreement and involvement in any illegal business practices. The Company can also terminate Craig's employment by giving six months' notice in writing (or payment in lieu of notice).

Name:	Adrian Sturrock
Title:	Chief Financial Officer
Agreement commenced:	2 August 2021
Details:	During the year ended 30 June 2024, Adrian was paid a salary of $275,426 exclusive of statutory superannuation payments. Prior to the appointment of the Administrators, his total remuneration package was reviewed annually by the Board, with any changes to be effective from 1 July each year. Adrian may become entitled to an annual cash bonus, subject to satisfying KPIs. The Company may terminate Adrian's employment summarily because of, among other things, misconduct or failure to perform duties specified in the Agreement and involvement in any illegal business practices. The Company can also terminate Adrian's employment by giving six months' notice in writing (or payment in lieu of notice).

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows.

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
22 December 2021	30 June 2024	20 December 2025	$0.00	$0.2072
22 December 2021	30 June 2024	20 December 2025	$0.00	$0.1146
1 December 2022	28 November 2023	30 November 2025	$0.16	$0.0044
1 December 2022	30 June 2024	30 November 2027	$0.00	$0.0721
1 December 2022	30 June 2024	30 November 2027	$0.00	$0.0720
1 December 2022	30 June 2025	30 November 2027	$0.00	$0.0704
1 December 2022	30 June 2025	30 November 2027	$0.00	$0.0700

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Jo Patterson*	65,030	22 Dec 2021	30 Jun 2024	20 Dec 2025	$0.00	$0.1146
Craig Weller*	54,708	22 Dec 2021	30 Jun 2024	20 Dec 2025	$0.00	$0.2072
Jo Patterson*	348,136	1 Dec 2022	30 Jun 2024	30 Nov 2027	$0.00	$0.0720
Jo Patterson*	348,137	1 Dec 2022	30 Jun 2025	30 Nov 2027	$0.00	$0.0700
Craig Weller*	292,877	1 Dec 2022	30 Jun 2024	30 Nov 2027	$0.00	$0.0721
Craig Weller*	292,878	1 Dec 2022	30 Jun 2025	30 Nov 2027	$0.00	$0.0704
Adrian Sturrock*	275,915	1 Dec 2022	30 Jun 2024	30 Nov 2027	$0.00	$0.0721
Adrian Sturrock*	275,914	1 Dec 2022	30 Jun 2025	30 Nov 2027	$0.00	$0.0704
David Baker	750,000	1 Dec 2022	28 Nov 2023	30 Nov 2025	$0.16	$0.0044
George Livery	500,000	1 Dec 2022	28 Nov 2023	30 Nov 2025	$0.16	$0.0044
Akash Bedi	500,000	1 Dec 2022	28 Nov 2023	30 Nov 2025	$0.16	$0.0044

* Ms Patterson, Mr Weller and Mr Sturrock were issued long term incentive rights granted with various barrier prices.

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the Company. The number of options granted was determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Consolidated entity performance and link to remuneration'. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on the vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2024 are set out below.

Name	Number of options granted during the year 2024	Number of options granted during the year 2023	Number of options vested during the year 2024	Number of options vested during the year 2023
David Baker	937,500	750,000	1,687,500	-
George Livery	-	500,000	500,000	-
Jo Patterson	-	1,044,409	413,166	413,166
Akash Bedi	-	500,000	500,000	-
Hanno Cappon	-	-	-	-
Craig Weller	-	878,632	347,585	347,585
Adrian Sturrock	50,000	827,744	275,915	275,915

Additional information
The earnings of the consolidated entity for the five years to 30 June 2024 are summarised below.

	2024 $	2023 $	2022 $	2021 $	2020 $
Revenue from contracts with customers	875,559	1,718,190	3,600,902	6,643,039	5,073,816
Loss for the year	(6,412,941)	(7,953,136)	(5,406,544)	(4,226,105)	(4,819,140)

The factors that are considered to affect total shareholders return ('TSR') are summarised below.

	2024	2023	2022	2021	2020
Loss per share (cents) for the year ended 30 June	(3.68)	(5.63)	(5.10)	(4.26)	(5.40)
Share Price at 30 June (cents)	2.40	6.90	7.00	33.50	27.00
Share Price High for year ended 30 June (cents)	12.50	17.00	36.00	74.00	72.00
Share Price Low for the year ended 30 June (cents)	2.40	4.60	7.00	25.50	12.00

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below.

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
David Baker	4,500,000	-	1,875,000	-	6,375,000
George Livery	395,295	-	-	-	395,295
Jo Patterson	7,175,000	-	-	-	7,175,000
Akash Bedi	-	-	-	-	-
Craig Weller	4,852,329	-	-	-	4,852,329
Adrian Sturrock	200,000	-	100,000	-	300,000
	17,122,624	-	1,975,000	-	19,097,624

Option holding
The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below.

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
David Baker	750,000	937,500	-	(937,500)	750,000
George Livery	1,500,000	-	-	(1,000,000)	500,000
Jo Patterson	1,109,439	-	-	(413,166)	696,273
Akash Bedi	1,000,000	-	-	(500,000)	500,000
Craig Weller	640,463	-	-	(347,585)	292,878
Adrian Sturrock	551,829	50,000	-	(325,915)	275,914
	5,551,731	987,500	-	(3,524,166)	3,015,065

As at 30 June 2024, there were no options over ordinary shares that had vested and are exercisable and there were 6,098,136 options that have vested and are unexercisable.

Other transactions with key management personnel and their related parties
During the year, David Baker assumed an additional advisory role to support management to progress several commercial initiatives. This work took place during the period 1 July 2023 to 30 November 2023 and Mr Baker earned $45,000 in retainer fees during this time.

Other than the above item, there have been no other transactions with key management personnel and their related parties during the financial year.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Bod Science Limited under option at the date of this report are as follows.

Grant date	Expiry date	Exercise price	Number under option
14 October 2022	14 October 2024	$0.12	2,000,000
1 December 2022	30 November 2027	$0.00	1,265,065
1 December 2022	30 November 2025	$0.16	1,750,000
11 August 2023	11 August 2025	$0.12	2,000,000
			7,015,065

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Bod Science Limited issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Prior to the appointment of the Administrators, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 24 to the financial statements.

The Deed Administrator is satisfied that the provision of non-audit services during the financial year by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Deed Administrator is of the opinion that the services as disclosed in note 24 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners/directors of Nexia Sydney Audit Pty Ltd

There are no officers of the Company who are former partners/directors of Nexia Sydney Audit Pty Ltd.

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 Deed Administrator's 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

1 November 2024
Sydney

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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 audit of the financial statements of Bod Science Limited for the financial year ended 30 June 2024, 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 audit; and

(b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Nexia

Nexia Sydney Audit Pty Ltd

Erin Tanyag
Director

Date: 1 November 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Revenue from contracts with customers	5	875,559	1,718,190
Other income	6	2,986,310	1,919,850
Expenses			
Raw materials and consumables used	7	(609,659)	(1,021,789)
Distribution expense		(199,444)	(385,584)
Research and development expense		(1,206,322)	(3,462,142)
Employee/director benefits expense		(1,967,599)	(3,047,518)
Depreciation and amortisation expense	7	(208,905)	(171,932)
Impairment of inventories	7	(104,430)	(27,623)
Impairment of trade receivables	7	-	(31,901)
Impairment of intangible assets	7	(2,039,738)	(220,292)
Impairment of right-of-use asset	7	(1,295,227)	-
Marketing expense		(217,701)	(458,581)
Share-based payment expense	7	(167,641)	(552,771)
Other expenses		(2,120,909)	(2,198,837)
Loss before interest and tax		(6,275,706)	(7,940,930)
Interest income		15,038	15,145
Interest expense	7	(152,273)	(27,351)
Net interest expense		(137,235)	(12,206)
Loss before income tax expense		(6,412,941)	(7,953,136)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of Bod Science Limited		(6,412,941)	(7,953,136)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(28,541)	(96,629)
Other comprehensive income for the year, net of tax		(28,541)	(96,629)
Total comprehensive income for the year attributable to the owners of Bod Science Limited		(6,441,482)	(8,049,765)
		Cents	**Cents**
Basic earnings per share	33	(3.68)	(5.63)
Diluted earnings per share	33	(3.68)	(5.63)

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

	Note	Consolidated 2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	9	434,401	2,031,040
Trade and other receivables	10	213,316	400,040
Inventories	11	670,893	288,513
Other assets	12	959,800	578,334
Total current assets		2,278,410	3,297,927
Non-current assets			
Property, plant and equipment	13	6,750	75,112
Right-of-use assets	14	-	-
Intangibles	15	21,710	130,681
Total non-current assets		28,460	205,793
Total assets		2,306,870	3,503,720
Liabilities			
Current liabilities			
Trade and other payables	16	5,445,572	2,540,443
Contract liabilities	17	100,000	7,880
Borrowings	18	460,361	963,132
Lease liabilities	19	1,370,177	-
Employee benefits		199,927	106,253
Total current liabilities		7,576,037	3,617,708
Non-current liabilities			
Contract liabilities	17	-	500,000
Employee benefits		48,981	89,376
Total non-current liabilities		48,981	589,376
Total liabilities		7,625,018	4,207,084
Net liabilities		(5,318,148)	(703,364)
Equity			
Issued capital	20	34,751,132	33,017,675
Reserves	21	959,460	3,522,897
Accumulated losses		(41,028,740)	(37,243,936)
Total deficiency in equity		(5,318,148)	(703,364)

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

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total deficiency in 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 year	-	-	(7,953,136)	(7,953,136)
Other comprehensive income for the year, net of tax	-	(96,629)	-	(96,629)
Total comprehensive income for the year	-	(96,629)	(7,953,136)	(8,049,765)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 20)	3,201,890	-	-	3,201,890
Share-based payments (notes 20-21)	500,000	177,771	-	677,771
Options issued for share transaction costs (notes 20-21)	(79,400)	79,400	-	-
Balance at 30 June 2023	33,017,675	3,522,897	(37,243,936)	(703,364)

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 year	-	-	(6,412,941)	(6,412,941)
Other comprehensive income for the year, net of tax	-	(28,541)	-	(28,541)
Total comprehensive income for the year	-	(28,541)	(6,412,941)	(6,441,482)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 20)	1,784,057	-	-	1,784,057
Share-based payments (note 21)	-	42,641	-	42,641
Options issued for share transaction costs (notes 20-21)	(50,600)	50,600	-	-
Transfer from share-based payments reserve to accumulated losses (note 21)		(2,662,435)	2,662,435	-
Transfer from foreign currency translation reserve to accumulated losses (note 21)	-	34,298	(34,298)	-
Balance at 30 June 2024	34,751,132	959,460	(41,028,740)	(5,318,148)

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

	Note	Consolidated 2024 $	Consolidated 2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		965,172	2,174,856
Payments to suppliers and employees (inclusive of GST)		(4,807,008)	(9,380,414)
Interest received		15,038	15,145
Interest paid		(163,600)	-
Research and development incentive received		2,009,638	1,512,673
Facilitation fee	17	100,000	-
Funding income	6	966,782	-
Net cash used in operating activities	31	(913,978)	(5,677,740)
Cash flows from investing activities			
Payments for property, plant and equipment		(14,195)	(69,474)
Proceeds from sale of property, plant and equipment		20,300	-
Payments for intangibles		(1,944,370)	(78,632)
Payments for security deposits		-	(141,500)
Net cash used in investing activities		(1,938,265)	(289,606)
Cash flows from financing activities			
Net proceeds from issue of shares	20	1,784,057	3,201,890
Net proceeds from borrowings		183,163	935,951
Repayment of borrowings		(1,121,407)	-
Repayment of lease liabilities	19	(80,984)	-
Net cash from financing activities		764,829	4,137,841
Net decrease in cash and cash equivalents		(2,087,414)	(1,829,505)
Cash and cash equivalents at the beginning of the financial year		2,031,040	3,665,738
Effects of exchange rate changes on cash and cash equivalents		30,414	194,807
Net cash and cash equivalents at the end of the financial year	9	(25,960)	2,031,040

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

Note 1. 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 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	Principal place of business
Suite 2, Level 10, 70 Phillip Street Sydney NSW 2000	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 Deed Administrator's report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with the authority of the Deed Administrator, on 1 November 2024. The Deed Administrator has the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to the consolidated entity and effective 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.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

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 has incurred a loss after tax of $6,412,941 (2023: $7,953,136) and incurred net operating cash outflows for the year of $913,978 (2023: $5,677,740) and has a net current liability of $5,297,627 (2023: $319,781) and net liabilities of $5,318,148 (2023: $703,364). The consolidated entity had a net bank overdraft of $25,960 as at 30 June 2024 (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.

Note 2. Significant accounting policies (continued)

On 9 February 2024, the Company signed a non-binding Heads of Agreement with Biortica, which proposed that the Company enter into a 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 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 (ie: a backdoor listing).

The Administrators recommended that creditors accept the DOCA proposal at a meeting of creditors of the Company 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 and Mr Barnden became the Deed Administrator. The Company continues to trade under the DOCA and will remain in suspension throughout the deed administration process.

A shareholders meeting will be scheduled at which shareholders will consider and vote in respect to the various resolutions pursuant to the DOCA and associated documents. If shareholders vote in favour of all of the proposed resolutions, then the backdoor listing will proceed 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.

It is expected that a notice of meeting will be sent to the Company's shareholders in late 2024, informing them that a shareholders meeting has been scheduled at which the shareholders will vote upon the various abovementioned resolutions.

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 (excluding debts incurred as at 29 November 2023 and subject to the DOCA proposal) 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.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 29.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of the subsidiaries of Bod Science Limited ('Company' or 'parent entity') as at 30 June 2024 and the results of its subsidiaries for the year then ended. Bod Science Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 2. Significant accounting policies (continued)

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Bod Science Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The consolidated entity recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Research and development incentive
Research and development incentive is recognised as income based on a percentage of the research and development costs incurred that qualify for the incentive and the right to receive payment has been established.

Funding income
Funding income is recognised by the Company when Biortica has paid a liability on the Company’s behalf under the terms of the DOCA. The liability is recognised in trade and other payables by the Company until it is paid by Biortica.

Note 2. Significant accounting policies (continued)

Interest
Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

An income tax benefit will arise for the financial year where an income tax loss is incurred and, where permitted to do so, is carried-back against a qualifying prior period’s tax payable to generate a refundable tax offset.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Note 2. Significant accounting policies (continued)

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories
Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Finished goods are stated at the lower of cost and net realisable value on a standard cost basis. Cost of inventory is determined using the standard cost and comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant and equipment	1-6 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The amortisation method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Note 2. Significant accounting policies (continued)

Patents and trademarks
Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of 3 years for trademarks and 10 years for patents.

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.

Research and development
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when: it is probable that the project will be a success considering its commercial and technical feasibility; the entity is able to use or sell the asset; the entity has sufficient resources and intent to complete the development; and its costs can be measured reliably.

Impairment of non-financial assets
Non-financial assets (including plant and equipment, patents and trademarks and Aqua Phase) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Leases
At the commencement date of the lease, the consolidated entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the consolidated entity uses an equivalent Australian government bond rate at the lease commencement date, because the interest rate implicit in the lease is not readily determinable and it does not have an incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments (changes to future payments resulting from a change in an index or rate used to determine such lease payments).

Trade and other payables
Trade and other payables represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities
Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Refund liabilities
Refund liabilities are recognised where the consolidated entity receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the consolidated entity does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

Note 2. Significant accounting policies (continued)

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for long service leave not expected to be settled within 12 months of the reporting date is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using the trinomial option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

Note 2. Significant accounting policies (continued)

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Bod Science Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Comparatives

Certain comparatives have been reclassified for consistency with the current period presentation. There was no impact on the net profit or loss, net assets or equity.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2024. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations most relevant to the consolidated entity are set out below.

Other amending accounting standards issued are not considered to have a significant impact on the financial statements of the consolidated entity as their amendments provide either clarification of existing accounting treatment or editorial amendments.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2024, as extended by AASB 2020-6. Early adoption is permitted. AASB 2022-6 was issued in December 2022 and is applicable to annual periods beginning on or after 1 January 2023. Early adoption is permitted where AASB 2020-1 is also early adopted.

Note 2. Significant accounting policies (continued)

These standards amend AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is subject to the entity complying with covenants in the loan arrangement based on information up to and including reporting date, the deferral right will exist where the entity is able to comply with the covenant on or before the end of the reporting date even if compliance is assessed after the reporting date. The deferral right will be deemed to exist at reporting date if the entity is required to comply with the covenant only after the reporting date based on post-reporting date information. Additional disclosure is required about loan arrangements classified as non-current liabilities in such circumstances which enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes and Barrier pricing valuation models taking into account the terms and conditions upon which the instruments were granted specific to the options issued including vesting period, exercise price and term to expiry. The volume weighted average price ('VWAP') performance conditions were incorporated into the valuation, where relevant, by means of probabilistic modelling techniques such as the barrier option pricing model. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Revenue from contracts with customers involving sale of goods
When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Determination of variable consideration
Judgement is exercised in estimating variable consideration which is determined having regard to past experience with respect to the goods returned to the consolidated entity where the customer maintains a right of return pursuant to the customer contract or where goods or services have a variable component. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of intangible assets
During the year, patents and trademarks and Aqua Phase intangible assets were impaired. The impairment was calculated by deducting the estimated recoverable amount of each asset from the asset's written down value. The recoverable amount of these assets could change significantly, resulting in an increased or decreased impairment charge relating to these assets.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Note 4. 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 reported on a monthly basis.

Major customers
There are 2 major customers (2023: 3 major customers) that account for 61% (2023: 64%) of the consolidated entity's sales revenue. The total amount of revenues from these customers was $528,839 (2023: $1,066,191) and they were from the Medical segment (2023: Medical and OTC CBD/Hemp segments).

Note 4. Operating segments (continued)

Operating segment information

Consolidated - 2024	Medical $	OTC CBD/Hemp $	OTC Herbals $	Corporate $	Total $
Revenue					
Sale of goods	610,061	-	255,100	-	865,161
Royalty	-	10,398	-	-	10,398
Total revenue	610,061	10,398	255,100	-	875,559
Segment result	(1,019,384)	73,579	(103,641)	(1,410,319)	(2,459,765)
Depreciation and amortisation	-	-	-	(208,905)	(208,905)
Impairment of assets	(105,238)	-	808	(3,334,965)	(3,439,395)
Share-based payments	-	-	-	(167,641)	(167,641)
Interest income	-	-	-	15,038	15,038
Interest expense	-	-	-	(152,273)	(152,273)
Loss before income tax expense	(1,124,622)	73,579	(102,833)	(5,259,065)	(6,412,941)
Income tax expense					-
Loss after income tax expense					(6,412,941)
Assets					
Segment assets	1,538,236	-	4,117	764,517	2,306,870
Total assets					2,306,870
Liabilities					
Segment liabilities	1,926,435	6,628	115,151	5,576,804	7,625,018
Total liabilities					7,625,018

Consolidated - 2023	Medical $	OTC CBD/Hemp $	OTC Herbals $	Corporate $	Total $
Revenue					
Sale of goods	933,287	294,565	440,201	-	1,668,053
Royalty	-	50,137	-	-	50,137
Total revenue	933,287	344,702	440,201	-	1,718,190
Segment result	(1,417,638)	(8,533)	(399,848)	(5,110,392)	(6,936,411)
Depreciation and amortisation	-	(76,706)	-	(95,226)	(171,932)
Impairment of assets	-	(184,497)	(27,623)	(67,696)	(279,816)
Share-based payments	-	-	-	(552,771)	(552,771)
Interest income	-	-	-	15,145	15,145
Interest expense	-	-	-	(27,351)	(27,351)
Loss before income tax expense	(1,417,638)	(269,736)	(427,471)	(5,838,291)	(7,953,136)
Income tax expense					-
Loss after income tax expense					(7,953,136)
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

Note 4. Operating segments (continued)

Geographical information

	Geographical non-current assets	
	2024	2023
	$	$
Australia	28,460	205,793
United Kingdom	-	-
European Union	-	-
United States of America	-	-
	28,460	205,793

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 5. Revenue from contracts with customers

	Consolidated	
	2024	2023
	$	$
Sale of goods	865,161	1,668,053
Royalty	10,398	50,137
Revenue from contracts with customers	875,559	1,718,190

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

	Consolidated	
	2024	2023
	$	$
Geographical regions		
Australia	777,601	1,335,176
United Kingdom	97,958	329,877
European Union	-	4,983
United States of America	-	48,154
	875,559	1,718,190
Timing of revenue recognition		
Goods transferred at a point in time	875,559	1,718,190

The disaggregation of revenue by major product lines is presented in note 4 'Operating segments'.

Note 6. Other income

	Consolidated 2024 $	Consolidated 2023 $
Research and development tax incentive	1,980,672	1,356,576
Funding income	966,782	-
Net foreign exchange gain	38,356	316,949
Other	500	246,325
	2,986,310	1,919,850

Note 7. Expenses

	Consolidated 2024 $	2023 $
Loss before income tax includes the following specific expenses:		
Cost of sales		
Cost of sales	609,659	1,021,789
Depreciation		
Plant and equipment	8,501	15,865
Buildings – right-of-use assets	160,254	-
Total depreciation	168,755	15,865
Amortisation		
Patents and trademarks	40,150	38,787
Product development	-	76,706
Website development costs	-	40,574
Total amortisation	40,150	156,067
Total depreciation and amortisation	208,905	171,932
Impairment of intangibles		
Intangible assets	2,039,738	-
Product development	-	152,596
Website development	-	67,696
Total impairment	2,039,738	220,292
Impairment of right-of-use assets		
Impairment of right-of-use assets	1,295,227	-
Impairment of receivables		
Impairment of trade receivables	-	31,901
Impairment of inventory		
Impairment of inventory	104,430	27,623
Interest expense		
Interest and finance charges paid/payable on borrowings	100,409	27,351
Interest and finance charges paid/payable on lease liabilities	51,864	-
Total interest expense	152,273	27,351
Leases		
Short-term lease payments	(5,784)	109,066
Superannuation expense		
Defined contribution superannuation expense	182,352	145,878
Share-based payments expense		
Share-based payments expense	167,641	552,771

Note 8. Income tax expense

	Consolidated 2024 $	Consolidated 2023 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(6,412,941)	(7,953,136)
Tax at the statutory tax rate of 25%	(1,603,235)	(1,988,284)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Amortisation of intangibles	10,038	9,697
Impairment of intangibles	509,935	-
Impairment of right-of-use asset	323,807	-
Non-deductible entertainment expenses	3,322	5,457
Share-based payments	41,910	138,193
Research and development incentive	(495,168)	(339,144)
Research and development expenses	301,581	865,536
	(907,810)	(1,308,545)
Current year tax losses not recognised	907,810	1,308,545
Income tax expense	-	-

	Consolidated 2024 $	Consolidated 2023 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	23,758,437	20,127,197
Potential tax benefit @ 25%	5,939,609	5,031,799

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

The corporate tax rate applicable to base rate entities is 25%. The Company qualifies as a base rate entity as it has a turnover of less than $50 million and less than 80% of its assessable income is derived from base rate entity passive income. The Company has measured its deferred tax balances, and any unrecognised potential tax benefits arising from carried forward tax losses, based on this effective tax rate of 25%.

Note 9. Cash and cash equivalents

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Cash at bank and cash on hand	434,401	880,626
Cash on deposit	-	1,150,414
	434,401	2,031,040
Reconciliation of cash and cash equivalents to the statement of cash flows:		
Cash and cash equivalents per above	434,401	2,031,040
Bank overdraft included as part of borrowings (refer note 18)	(460,361)	-
Net cash and cash equivalents for purposes of statement of cash flows	(25,960)	2,031,040

Note 10. Trade and other receivables

	Consolidated	
	2024	2023
	$	$
Current assets		
Trade receivables	38,531	302,947
Other receivables	-	60,451
GST receivable	174,785	36,642
	213,316	400,040

The consolidated entity has recognised a loss of $nil (2023: $31,901) in profit or loss in respect of the expected credit losses for the year ended 30 June 2024.

The ageing of the trade receivables are as follows:

	Consolidated	
	2024	2023
	$	$
Not overdue	34,125	196,258
1 to 3 months overdue	519	16,009
Over 3 months overdue	3,887	90,680
	38,531	302,947

Note 11. Inventories

	Consolidated	
	2024	2023
	$	$
Current assets		
Work in progress - at cost	-	44,619
Finished goods - at cost	734,286	288,966
Less: Provision for impairment	(129,946)	(49,777)
	604,340	239,189
Stock in transit - at cost	66,553	4,705
	670,893	288,513

Note 12. Other assets

	Consolidated	
	2024	2023
	$	$
Current assets		
Prepayments - contract manufacturers	834,436	125,902
Prepayments - other	19,296	271,780
Security deposits	106,068	180,652
	959,800	578,334

Note 12. Other assets (continued)

Prepayments to contract manufacturers have increased due to the consolidated entity entering the THC market, the length of the supply chain for cultivation of THC products and the supplier requiring a deposit on initial order. Other prepayments have decreased due to a prepaid amount of $125,000 for future marketing services in the prior year as well as a reduction in expenditure upon entering into voluntary administration.

Note 13. Property, plant and equipment

	Consolidated	
	2024 $	2023 $
Non-current assets		
Plant and equipment - at cost	46,036	120,061
Less: Accumulated depreciation	(39,286)	(44,949)
	6,750	75,112

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

Consolidated	Plant and equipment $
Balance at 1 July 2022	15,252
Additions	75,725
Depreciation expense	(15,865)
Balance at 30 June 2023	75,112
Additions	74,258
Disposals	(872)
Transfer to right-of-use asset	(14,537)
Lease incentive transferred to right-of-use asset	(118,710)
Depreciation expense	(8,501)
Balance at 30 June 2024	6,750

Note 14. Right-of-use assets

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Land and buildings – right-of-use	1,442,285	-
Less: Accumulated amortisation	(147,058)	-
Less: Impairment	(1,295,227)	-
	-	-

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

Consolidated	Land and buildings $
Balance at 1 July 2023	-
Initial recognition of office lease	1,504,833
Leasehold improvements – capital works	134,871
Leasehold improvements - other	118,710
Leasehold improvement contribution incentive	(253,581)
Costs capitalised to right-of-use asset	58,647
Transfer from plant and equipment	14,537
Disposal	(122,536)
Amortisation expense	(160,254)
Impairment of assets	(1,295,227)
Balance at 30 June 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. As a result, the consolidated entity has impaired its right-of-use asset as at 30 June 2024, impairing the value of the asset by $1,295,227. This has resulted in a reduction of the carrying value of the right-of-use asset to nil.

Note 15. Intangibles

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Patents and trademarks - at cost	229,028	204,394
Less: Accumulated amortisation	(113,862)	(73,713)
Less: Impairment	(93,456)	-
	21,710	130,681
Product development	417,875	417,875
Less: Accumulated amortisation	(265,279)	(265,279)
Less: Impairment	(152,596)	(152,596)
	-	-
Website development - at cost	121,720	121,720
Less: Accumulated amortisation	(54,024)	(54,024)
Less: Impairment	(67,696)	(67,696)
	-	-
Aqua Phase – at cost	1,946,283	-
Less: Impairment	(1,946,283)	-
	-	-
	21,710	130,681

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

Consolidated	Patents and trademarks $	Product develop-ment $	Website development $	Aqua Phase $	Total $
Balance at 1 July 2022	77,854	229,302	108,270	-	415,426
Additions	91,614	-	-	-	91,614
Amortisation expense	(38,787)	(76,706)	(40,574)	-	(156,067)
Impairment of assets	-	(152,596)	(67,696)	-	(220,292)
Balance at 30 June 2023	130,681	-	-	-	130,681
Additions	24,634	-	-	1,946,283	1,970,917
Amortisation expense	(40,150)	-	-	-	(40,150)
Impairment of assets	(93,455)	-	-	(1,946,283)	(2,039,738)
Balance at 30 June 2024	21,710	-	-	-	21,710

Note 16. Trade and other payables

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Trade payables – secured	5,643	-
Trade payables – unsecured	4,265,750	1,432,669
Superannuation payable	33,637	40,395
Employee costs payable	62,500	-
Other payables	143,822	180,601
Accrued expenses	934,220	886,778
	5,445,572	2,540,443

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

The outcome of the meeting of the Company's creditors held on 8 April 2024 was, inter alia, that the Company's creditors accepted the DOCA proposal and the DOCA was subsequently executed on 24 April 2024.

Refer to note 23 for further information on financial instruments.

Note 17. Contract liabilities

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Contract liabilities	100,000	7,880
Non-current liabilities		
Customer deposits	-	500,000

The current contract liability of $100,000 represents a non-refundable deposit made by Biortica on execution of a Heads of Agreement between the Company and Biortica.

The prior year non-current contract liability related 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 18. Borrowings

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Bank overdraft	460,361	-
Loan – Radium Capital	-	963,132
	460,361	963,132

Refer to note 23 for further information on financial instruments.

Note 18. Borrowings (continued)

The bank overdraft as at 30 June 2024 is unsecured and forms part of the DOCA.

The loans from Radium Capital in the prior year were secured over the FY2023 R&D tax rebate of the consolidated entity, incurred interest at 16% pa and 15% pa and were repayable on 31 December 2023.

Note 19. Lease liabilities

	Consolidated	
	2024 $	**2023 $**
Current liabilities		
Lease liability	1,370,177	-

Reconciliations
Reconciliations of the balances at the beginning and end of the current and previous financial year are set out below:

Consolidated	Lease liabilities $
Balance at 1 July 2023	-
Initial recognition of office lease	1,504,833
Repayments	(80,984)
Reduction in rental security deposits	(53,672)
Balance at 30 June 2024	1,370,177

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.

Note 20. Issued capital

	Consolidated			
	2024 Shares	**2023 Shares**	**2024 $**	**2023 $**
Ordinary shares - fully paid	177,338,493	153,212,493	34,751,132	33,017,675

Note 20. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2022	105,914,920		29,395,185
Issue of shares - equity placement	7 September 2022	16,875,000	$0.08	1,350,000
Issue of shares - marketing services *	30 September 2022	500,000	$0.50	250,000
Issue of shares - entitlement offer	6 October 2022	6,822,970	$0.08	545,838
Issue of shares - shortfall offer	11 October 2022	16,849,603	$0.08	1,347,968
Issue of shares - underwriting offer	13 October 2022	1,250,000	$0.08	100,000
Issue of shares - marketing services *	14 October 2022	3,125,000	$0.08	250,000
Issue of shares - equity placement to directors	5 December 2022	1,875,000	$0.08	150,000
Less: Options issued for transaction costs		-	$0.00	(79,400)
Less: Share issue costs		-	$0.00	(291,916)
Balance	30 June 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
Less: Options issued for transaction costs		-	$0.00	(50,600)
Less: Share issue costs		-	$0.00	(146,023)
Balance	30 June 2024	177,338,493		34,751,132

* These shares relate to non-cash transactions for the provision of services from a third party.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

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 20. Issued capital (continued)

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital risk management policy remains unchanged from the 2023 Annual Report.

Note 21. Reserves

	Consolidated	
	2024 $	2023 $
Foreign currency reserve	(109,258)	(115,015)
Share-based payments reserve	1,068,718	3,637,912
	959,460	3,522,897

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration and to other parties as part of their compensation for services.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency $	Share-based payments $	Total $
Balance at 1 July 2022	(18,386)	3,380,741	3,362,355
Foreign currency translation	(96,629)	-	(96,629)
Share-based payment expense	-	177,771	177,771
Options issued for share transaction costs	-	79,400	79,400
Balance at 30 June 2023	(115,015)	3,637,912	3,522,897
Foreign currency translation	(28,541)	-	(28,541)
Share-based payment expense	-	42,641	42,641
Options issued for share transaction costs	-	50,600	50,600
Transfer of expired options and forfeited performance rights to accumulated losses	-	(2,662,435)	(2,662,435)
Transfer of foreign currency translation reserve on windup of subsidiary to accumulated losses	34,298	-	34,298
Balance at 30 June 2024	(109,258)	1,068,718	959,460

Note 22. Dividends

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

Note 23. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units.

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

The consolidated entity operates in Australia, United Kingdom, the European Union and the United States of America and is exposed to foreign currency exchange rate risk arising from foreign currency exposures to the British Pound, Euro, Swiss Franc, US dollar and Swedish Krona.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
Consolidated	2024 $	2023 $	2024 $	2023 $
US dollars	1,316	67,169	314,403	77,244
Euros	-	-	169,435	65,311
Pound Sterling	17,202	1,759,335	208,437	131,589
Swiss francs	-	4,610	10,391	20,249
Swedish Krona	-	-	-	3,535
	18,518	1,831,114	702,666	297,928

The consolidated entity had net liabilities denominated in foreign currencies of $684,148 (assets of $18,518 less liabilities of $702,666 as at 30 June 2024 (2023: net assets of $1,533,186 (assets of $1,831,114 less liabilities of $297,928)). Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 10% against these foreign currencies with all other variables held constant, the consolidated entity's profit before tax for the year would have been $68,415 lower/$68,415 higher and equity would have been $68,415 lower/$68,415 higher (2023: $153,319 higher/$153,319 lower). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date. The actual foreign exchange gain for the year ended 30 June 2024 was $38,356 (2023: $316,949).

Note 23. Financial instruments (continued)

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
The consolidated entity does not have any interest-bearing borrowings as at 30 June 2024.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2024	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables – secured	-	5,643	-	-	-	5,643
Trade payables - unsecured	-	4,265,750	-	-	-	4,265,750
Superannuation payable	-	33,637	-	-	-	33,637
Employee costs payable	-	62,500	-	-	-	62,500
Other payables	-	143,822	-	-	-	143,822
Bank overdraft	-	460,361	-	-	-	460,361
Interest-bearing - fixed rate						
Lease liability	3.86%	1,370,177	-	-	-	1,370,177
Total non-derivatives		6,341,890	-	-	-	6,341,890

Note 23. Financial instruments (continued)

Consolidated - 2023	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,432,669	-	-	-	1,432,669
Superannuation payable	-	40,395	-	-	-	40,395
Other payables	-	180,601	-	-	-	180,601
Interest-bearing - fixed rate						
Other loans	15.50%	963,132	-	-	-	963,132
Total non-derivatives		2,616,797	-	-	-	2,616,797

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Nexia Sydney Audit Pty Ltd, the auditor of the Company.

	Consolidated 2024 $	Consolidated 2023 $
Audit services - Nexia Sydney Audit Pty Ltd		
Audit or review of the financial statements	176,000	81,180
Other services - Nexia Sydney Tax Advisory Pty Ltd		
Other non-assurance services	14,407	47,146
	190,407	128,326

Note 25. Contingent assets and liabilities

The contingent liability previously disclosed as at 30 June 2023 relating to the dormant Swiss subsidiary was resolved during the 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, there were no contingent assets or contingent liabilities as at 30 June 2024 and 30 June 2023.

Note 26. Commitments

	Consolidated 2024 $	Consolidated 2023 $
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	440,923	1,292,276
One to five years	39,984	431,181
	480,907	1,723,457

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 2024 $	Consolidated 2023 $
Short-term lease commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	9,729

Note 27. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 2024 $	Consolidated 2023 $
Short-term employee benefits	718,523	1,337,528
Post-employment benefits	66,869	76,950
Long-term benefits	(30,983)	20,202
Share-based payments	69,184	177,771
	823,593	1,612,451

Note 28. Related party transactions

Parent entity
Bod Science Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 30.

Key management personnel
Disclosures relating to key management personnel are set out in note 27 and the remuneration report included in the Deed Administrator’s report.

Note 28. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties.

	Consolidated 2024 $	Consolidated 2023 $
Sale of goods and services:		
Sale of goods to H&H Group	-	294,565
Royalty revenue:		
Royalties received from H&H Group	10,398	50,137
Payment for goods and services:		
Payment for commercial retainer with David Baker	45,000	-
Payment for legal fees to an associate of David Baker	5,850	47,070
Payment for printing materials to an associate of Jo Patterson	14,781	17,592

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties.

	Consolidated 2024 $	Consolidated 2023 $
Current receivables:		
Trade receivables from H&H Group	-	119,593
Current payables:		
Trade payables to H&H Group	-	-
Trade payable to David Baker	38,500	-
Trade payable to associate of David Baker	6,435	35,448
Trade payable to associate of Jo Patterson	4,573	660

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 29. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2024 $	Parent 2023 $
Loss after income tax	(7,081,809)	(7,654,437)
Total comprehensive income	(7,081,809)	(7,654,437)

Note 29. Parent entity information (continued)

Statement of financial position

	Parent 2024 $	Parent 2023 $
Total current assets	3,976,535	2,278,817
Total assets	4,012,662	2,562,727
Total current liabilities	7,415,552	3,480,045
Total liabilities	7,464,533	4,069,421
Equity		
Issued capital	34,751,132	33,017,675
Share-based payments reserve	1,068,718	3,637,912
Accumulated losses	(39,271,721)	(38,162,281)
Total deficiency	(3,451,871)	(1,506,694)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2023.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments - Property, plant and equipment
The parent entity had capital commitments for property, plant and equipment of $Nil as at 30 June 2024 (30 June 2023: $51,250).

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the investment in subsidiaries that is accounted for at cost, less any impairment, in the parent entity.

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %
Bod Healthcare Ltd	United Kingdom	100%	100%
Bod Healthcare, Inc	United States of America	100%	100%
Aqua Phase Ltd[1]	United Kingdom	100%	-
Bod Sagl – Lugano[2]	Switzerland	-	100%

1 – Bod Healthcare Ltd acquired 100% of the share capital of Aqua Phase Ltd on 3 August 2023 for an amount of £1.
2 – Bod Sagl was deregistered on 27 December 2023.

Note 31. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2024 $	Consolidated 2023 $
Loss after income tax expense for the year	(6,412,941)	(7,953,136)
Adjustments for:		
Depreciation and amortisation	208,905	171,932
Impairment of intangibles	2,039,738	220,292
Impairment of right-of-use asset	1,295,227	-
Loss on disposal of non-current assets	103,107	-
Share-based payments	167,641	552,771
Effects of exchange rate changes on cash and cash equivalents	(30,414)	(194,807)
Facilitation fee	100,000	-
Accrued interest on borrowings	(24,888)	27,181
Change in operating assets and liabilities:		
Decrease in trade and other receivables	39,443	155,315
(Increase)/decrease in inventories	(382,380)	267,681
Increase in prepayments	(560,139)	(76,631)
Increase in trade and other payables	2,997,324	629,469
(Decrease)/increase in contract liabilities	(500,000)	500,000
Increase in other provisions	53,279	25,494
Decrease in unearned income balances	(7,880)	(3,301)
Net cash used in operating activities	(913,978)	(5,677,740)

Note 32. Non-cash investing and financing activities

During the year ended 30 June 2024, the consolidated entity entered into a lease for its office premises in Double Bay. This resulted in the initial recognition in the Statement of Financial Position of a lease liability and offsetting right-of-use asset of $1,504,833. After exiting the office premises in April 2024, subsequent reductions in the lease liability balance have been funded by a reduction in rental security deposits of $53,672.

During the year ended 30 June 2023, the consolidated entity issued shares for the provision of marketing services from a third party with a value of $500,000.

Note 33. Earnings per share

	Consolidated 2024 $	Consolidated 2023 $
Loss after income tax attributable to the owners of Bod Science Limited	(6,412,941)	(7,953,136)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	174,273,831	141,360,473
Weighted average number of ordinary shares used in calculating diluted earnings per share	174,273,831	141,360,473
	Cents	Cents
Basic earnings per share	(3.68)	(5.63)
Diluted earnings per share	(3.68)	(5.63)

Note 33. Earnings per share (continued)

As at the reporting date, the consolidated entity had up to 84,000,000 contingently issuable shares (relating to the Aqua Phase acquisition, refer note 20) and 7,015,065 (2023: 7,551,731) options over 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 34. 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 year:

2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
07/08/2018	30/06/2024	$0.50	1,000,000	-	-	(1,000,000)	-
23/12/2020	18/12/2023	$0.75	500,000	-	-	(500,000)	-
22/12/2021	20/12/2025	$0.00	119,738	-	-	(119,738)	-
14/10/2022	14/10/2024	$0.12	2,000,000	-	-	-	2,000,000
01/12/2022	30/11/2027	$0.00	2,181,993	-	-	(916,928)	1,265,065
01/12/2022	30/11/2025	$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)	-
			7,551,731	14,063,000	-	(14,599,666)	7,015,065
Weighted average exercise price			$0.18	$0.10	$0.00	$0.14	$0.11

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the 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)	-
23/12/2020	18/12/2023	$0.75	500,000	-	-	-	500,000
22/12/2021	20/12/2025	$0.00	239,476	-	-	(119,738)	119,738
14/10/2022	14/10/2024	$0.12	-	2,000,000	-	-	2,000,000
01/12/2022	30/11/2027	$0.00	-	2,750,785	-	(568,792)	2,181,993
01/12/2022	30/11/2025	$0.16	-	1,750,000	-	-	1,750,000
			5,239,476	6,500,785	-	(4,188,530)	7,551,731
Weighted average exercise price			$0.49	$0.08	$0.00	$0.40	$0.18

Note 34. Share-based payments (continued)

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

Grant date	Expiry date	2024 Number	2023 Number
07/08/2018	30/06/2024	-	1,000,000
23/12/2020	18/12/2023	-	500,000
14/10/2022	14/10/2024	2,000,000	2,000,000
01/12/2022	30/11/2027	348,136	-
01/12/2022	30/11/2025	1,750,000	-
11/08/2023	11/08/2025	2,000,000	-
		6,098,136	3,500,000

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.87 years (2023: 2.85 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
11/08/2023	11/08/2025	$0.07	$0.12	91.20%	-	3.89%	$0.0253
11/08/2023	30/06/2024	$0.07	$0.10	91.20%	-	3.89%	$0.0000
22/08/2023	30/06/2024	$0.08	$0.10	91.20%	-	3.94%	$0.0000
06/10/2023	30/06/2024	$0.07	$0.10	91.20%	-	4.02%	$0.0000

Note 35. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 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.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Bod Science Limited	Body corporate	Australia		Australia
Bod Healthcare Ltd	Body corporate	United Kingdom	100%	Australia & United Kingdom
Aqua Phase Ltd	Body corporate	United Kingdom	100%	Australia & United Kingdom
Bod Healthcare, Inc	Body corporate	United States of America	100%	Australia & USA
Bod Sagl – Lugano	Body corporate	Switzerland	-	Switzerland

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements.*

Determination of tax residency

Section 295(3A)(vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency
  The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5; and

- Foreign tax residency
  Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the *Corporations Act 2001*).

In the Deed Administrator's opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;

- 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 DOCA proposal; and

- the information disclosed in the attached Consolidated Entity Disclosure Statement is true and correct.

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

Andrew Barnden
Deed Administrator

1 November 2024
Sydney

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Independent Auditor's Report to the Members of Bod Science Limited

Report on the Audit of the Financial Report

Disclaimer of opinion

We have audited the financial report of Bod Science Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the Deed Administrator's declaration.

We do not express an opinion on the accompanying financial report of the Group. Because of the significance of the matters described in the 'Basis for disclaimer of opinion' section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

Basis for disclaimer of opinion

As described in Note 2, the Deed Administrator has prepared the 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 2 nor have we been able to obtain 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 financial report is appropriate.

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

Deed Administrator's responsibility for the financial report

The Deed Administrator of the Company is responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the Deed Administrator determine is necessary to enable the preparation of:

i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Deed Administrator is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Deed Administrator either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the 'Basis for Disclaimer of Opinion' section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 23 of the Deed Administrator's Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Bod Science Limited for the year ended 30 June 2024 complies with section 300A of the Corporations Act 2001.

Responsibilities

The Deed Administrator of the Company is responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Nexia

Nexia Sydney Audit Pty Ltd

Erin Tanyag
Director

Date: 1 November 2024

The following information was applicable as at 11 October 2024.

1. Corporate Governance Statement

The Corporate Governance Statement can be found at the Company's website at https://bodscience.com/investors/corporate/

2. Substantial Shareholders

The following holders are registered by the Company as a substantial holder, having declared a relevant interest in accordance with the Corporations Act 2001 (Cth), in the voting shares below:

Holder Name	Number of fully paid ordinary shares[1]	% of issued share capital at date of interest[2]
SG Hiscock & Company Limited[3]	10,416,351	8.53%
H & H Group Entities[4]	14,864,865	17.64%

[1] As disclosed in the last notice lodged with the ASX by the substantial shareholder.

[2] The percentage set out in the notice lodged with the ASX is based on the total issued capital of the Company at the date of interest.

[3] As disclosed in the ASIC Form 604 dated 19 September 2022.

[4] As disclosed in the ASIC Form 603 dated 22 July 2019.

3. Number of Security Holders

Securities	Number of Holders
Fully paid ordinary shares (**Shares**)	3,185
Unlisted options over Shares (**Options**)	4
Performance Rights	3

4. Voting Rights

Securities	Voting Rights
Shares	Subject to any rights or restrictions for the time being attached to any class or classes at general meetings of shareholders or classes of shareholders: (a) each shareholder is entitled to vote and may vote in person or by proxy, attorney or representative; (b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and (c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, is entitled to one vote per share held.
Options	Options do not carry any voting rights.
Performance Rights	Performance Rights do not carry any voting rights.

5. Distribution Schedule

The distribution schedule for Shares is as follows:

Spread of Holdings	Holders	Shares	% of Total Shares
1 - 1,000	317	233,122	0.13%
1,001 - 5,000	1,330	3,396,493	1.92%
5,001 - 10,000	463	3,756,037	2.12%
10,001 - 100,000	888	28,680,655	16.17%
100,001 - 9,999,999,999	187	141,272,186	79.66%
Totals	**3,185**	**177,338,493**	**100.00%**

The distribution schedule for Options is as follows:

Spread of Holdings	Holders	Options	% of Total Options
1 - 1,000	0	0	0
1,001 - 5,000	0	0	0
5,001 - 10,000	0	0	0
10,001 - 100,000	0	0	0
100,001 - 9,999,999,999	4	5,750,000	100.00%
Totals	**4**	**5,750,000**	**100.00%**

The distribution schedule for Performance Rights is as follows:

Spread of Holdings	Holders	Performance / Service Rights	% of Total Performance
1 - 1,000	0	0	0
1,001 - 5,000	0	0	0
5,001 - 10,000	0	0	0
10,001 - 100,000	0	0	0
100,001 - 9,999,999,999	3	1,265,065	100.00%
Totals	**3**	**1,265,065**	**100.00%**

6. Holders of Non-Marketable Parcels

Date	Closing price of shares	Number of holders
23 November 2023[1]	$0.024	2,534

[1] The securities of the Company were placed in a trading halt at the request of the Company from market open on 24 November 2023 and on 29 November 2023 the Company announced that it had appointed Andrew Barden and Brent Morgan of Rogers Reidy as Joint and Several Administrators of the Company pursuant to section 436A of the Corporations Act 2001. The Company remains in voluntary administration as at the date of this Annual Report. There has been no trading in the Company since close of market on 23 November 2023 where the share price was $0.024. The Holders of Non-Marketable Parcels information is therefore current as at 23 November 2023.

7. Top 20 Shareholders

The top 20 largest shareholders together hold 52.67% of the securities in this class and are listed below:

Rank	Holder Name	Securities	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	29,061,130	16.39%
2	DUTCH INK (2010) PTY LTD	15,278,286	8.61%
3	BAKER COOK ADVISORY <BAKER COOK SUPER A/C>	6,375,000	3.59%
4	HEALTH AND BEAUTY ENTERPRISE PTY LIMITED	6,375,000	3.59%
5	NOIR TED PTY LTD	4,852,329	2.74%
6	AWJ FAMILY PTY LTD <AW JOHNSON FAMILY A/C>	4,445,346	2.51%
7	BTT SCIENCES LTD	3,750,000	2.11%
8	S3 CONSORTIUM PTY LTD	3,535,112	1.99%
9	GP SECURITIES PTY LTD	3,500,416	1.97%
10	HENDO FAMILY SUPERANNUATION PTY LTD <HENDERSON SUPERFUND A/C>	2,235,295	1.26%
11	AVL NOMINEES PTY LTD <AVL HOLDINGS A/C>	2,000,000	1.13%
12	BIATAN PTY LTD <MAHONEY FAMILY A/C>	1,968,419	1.11%
13	JIMZBAL PTY LTD <JIMZBAL SUPER A/C>	1,710,000	0.96%
14	TOUCAN TRADING PTY LTD	1,562,500	0.88%
15	LAKE PACIFIC PTY LTD	1,450,000	0.82%
16	MRS EMMA ISABELL NIXON <CICERM A/C>	1,203,209	0.68%
17	VAGG FAMILY PTY LTD	1,165,173	0.66%
18	YOIX PTY LTD	1,010,000	0.57%
19	MR WERNER JOSEF GALLAUTZ	1,000,000	0.56%
20	MR ANGUS WILLIAM JOHNSON + MRS LINDY JOHNSON <THE DENASUPER FUND A/C>	961,084	0.54%
	Total	**93,438,299**	**52.67%**

8. Company Details

Company secretary: Carlie Hodges

Registered Address: c/- Franks & Associates Pty Ltd, Suite 2 Level 10, 70 Phillip Street, Sydney NSW 2000

Telephone: 02 9199 5018

Address of where the register is kept: Link Market Services Limited, Level 12, 680 George Street, Sydney, NSW Australia, 2000

Telephone of where the register is kept: 1300 554 474

Other stock exchange where the entities equity securities are quoted: N/A

9. Restricted Securities

There are no securities subject to voluntary escrow restrictions or mandatory escrow restrictions under the Chapter 9 ASX Listing Rules.

10. Unquoted Securities

The following **Options** are on issue:

Class	Date of Expiry	Exercise Price	Number of Options	Number of Holders
Unlisted Options	30/11/2025	$0.16	1,750,000	3
Unlisted Options	14/10/2024	$0.12	2,000,000	1
Unlisted Options	11/08/2025	$0.12	2,000,000	1
			5,750,000	**4**

The following holder holds more than 20% of the Options on issue:

Rank	Holder Name	Options	%
1	Taycol Nominees Pty Ltd	4,000,000	69.57%

The following Performance Rights are on issue:

Class	Date of Expiry	Exercise Price	Number of Performance Rights	Number of Holders
Unlisted Performance Rights	Various	$0	1,265,065	3
			1,265,065	**3**

There are no holders outside of the LTIP that hold more than 20% of the Performance Rights on issue.

11. Share Buy-Backs

There is no current on-market buy-back scheme.