

Quarterly Activities Report for the Period Ended 31 December 2024

Financial Updates

- Net cash from operating activities of \$51k
- Quarterly receipts from customers were \$219k
- Proceeds from sale of intellectual property assets were \$125k

Sydney, Australia – 24 January 2025: Cannabis focused drug development and product innovation company, Bod Science Limited (Subject to a Deed of Company Arrangement) (“Bod” or “the Company”) (ASX: BOD), provides the following update on activities for the three-month period ended 31 December 2024 (Q2 FY2025).

Operational Overview:

In April 2024, Bod entered into a Deed of Company Arrangement (“DOCA”) with Biortica Agrimed Limited (“Biortica”) in accordance with that DOCA proposal. Pursuant to the DOCA, Andrew Barnden has been appointed Deed Administrator and the Company continues to trade under the DOCA. The Company will remain in suspension throughout the deed administration process.

In November 2024, the Company executed a binding conditional Share Purchase Agreement with the Biortica ordinary shareholders to acquire all the fully paid ordinary shares in Biortica, in consideration for the issue of ordinary shares in the Company.

The DOCA will be effectuated once the conditions subsequent to the DOCA are satisfied, in particular, the passing of the various resolutions by shareholders at an extraordinary general meeting of the Company. The extraordinary general meeting had previously expected to be held in or around November 2024. However, due to the further delay by Biortica in complying with the ASX requirements and, in particular, the audit of its financial statements for the financial year ended 30 June 2024, the DOCA period has been further extended and the extraordinary general meeting of the shareholders of the Company is now expected to be convened and held in or around early-to-mid March 2025. The actual date of the extraordinary general meeting will be advised in a formal Notice of Meeting, which will be issued in due course.

Financial Overview:

Net cash inflow from operating activities of \$51k increased by \$55k on Q1 FY2025 (net cash outflow of \$4k) due to an increase in customer receipts and the reimbursement of previously incurred operating expenses as part of the sale of certain items of the Company’s intellectual property. The Q2 FY2025 net cash inflow was \$564k lower than the previous corresponding period (“PCP”) (Q2 FY2024: \$615k) due to the \$1.6m R&D tax incentive received in Q2 FY2024. Offsetting this, substantial reductions compared to the PCP were realised in all payment categories due to the Company entering voluntary administration in November 2023 and the funding of the company’s ongoing trading costs by Biortica.

Quarterly receipts from customers were \$219k, an increase of \$27k (14%) on the last quarter (Q1 FY2025: \$192k) and a decrease of \$66k (23%) on the PCP (Q2 FY2024: \$285k). The increase on the prior quarter is due to a 24% increase in sales volumes driven by the introduction of new SKUs. The decrease on the PCP is due to the Company’s exit from its premium skincare business during FY24, with Q2 being the skincare business’s largest sales quarter due to Black Friday sales. Medical cannabis receipts from customers increased by \$70k (47%) on the PCP on a like-for-like basis.

Other receipts from operating activities of \$235k represents funding received from Biortica to pay for the Company’s operating expenses.

In November 2024, the Deed Administrator completed the negotiation of the sale of certain intellectual property assets held by the Company. This resulted in a cash inflow of \$176k, which represented proceeds on sale of the

intellectual property assets of \$125k and the reimbursement of previously incurred expenses relating to the assets of \$51k.

The Company made payments totalling \$35k to related parties during the quarter, representing remuneration paid to a director.

Outlook:

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

The Company has entered into a binding Share Purchase Agreement with the ordinary shareholders of Biortica. The Share Purchase Agreement is subject to conditions subsequent being met, together with the effectuation of the DOCA and the Company satisfying the re-compliance requirements with Chapter 1 and 2 of the ASX Listing Rules, including all necessary shareholder approvals.

It is expected that a notice of meeting will be sent to the Company's shareholders in February 2025, informing them that an extraordinary general meeting has been scheduled at which the shareholders will vote upon whether to approve the various resolutions as detailed in Biortica's DOCA proposal.

This announcement has been approved by the Deed Administrator of Bod Science Limited (Subject to a Deed of Company Arrangement).

-ENDS-

About Bod Science:

Bod Science Limited (Subject to a Deed of Company Arrangement) (ASX:BOD) is a cannabis focused drug development and product innovation company.

Bod is focused on progressing research and development with a defined clinical trial pathway to commercialise and deliver premium, scientifically proven and trusted products for patients and consumers.

The Company has a number of existing partnerships with large corporate companies and collaborations with leading research organisations to advance the use of Cannabis related medicines with therapeutic indications.

For more information please contact:

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Appendix 4C

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

Name of entity

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

ABN

89 601 225 441

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows		Current quarter	Year to date
		\$A'000	(6 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers ¹		219	411
1.2 Payments for			
(a) research and development ²		11	(7)
(b) product manufacturing and operating costs ¹		(44)	(91)
(c) advertising and marketing		(8)	(11)
(d) leased assets		-	-
(e) staff costs		(213)	(543)
(f) administration and corporate costs ²		(153)	(310)
1.3 Dividends received		-	-
1.4 Interest received		4	8
1.5 Interest and other costs of finance paid		-	(1)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other ³		235	591
1.9 Net cash from / (used in) operating activities		51	47
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities		-	-
(b) businesses		-	-
(c) property, plant and equipment		-	-
(d) investments		-	-
(e) intellectual property		-	-

Consolidated statement of cash flows		Current quarter	Year to date (6 months)
		\$A'000	\$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property ²	125	125
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	125	125

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(9)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	(9)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	(39)	(26)
4.2	Net cash from / (used in) operating activities (item 1.9 above)	51	47
4.3	Net cash from / (used in) investing activities (item 2.6 above)	125	125

Consolidated statement of cash flows		Current quarter	Year to date (6 months)
		\$A'000	\$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(9)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	137	137

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	597	421
5.2	Call deposits	-	-
5.3	Bank overdrafts	(460)	(460)
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	137	(39)

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1: <ul style="list-style-type: none"> Salaries/fees paid to directors 	35
6.2	Aggregate amount of payments to related parties and their associates included in item 1	35

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	51
8.2	Cash and cash equivalents at quarter end (item 4.6)	137
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	137
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Not applicable	
	8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Not applicable	
	8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Not applicable	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 January 2025

Authorised by: **Deed Administrator of Bod Science Limited (Subject to a Deed of Company Arrangement)**

Notes

1. YTD receipts from customers and YTD payments for product manufacturing and operating costs have both been increased by \$43k, representing the grossing up of these line items for payments made by a Bod customer directly to a Bod supplier during Q1 in relation to the supply of products to Bod by that supplier which were subsequently sold to that customer.
2. During Q2, Bod received an amount of \$176k in relation to the sale of certain items of its intellectual property rights. The amount received was allocated as follows: \$125k for the sale of intellectual property (reported in proceeds from disposal of intellectual property); \$13k for the reimbursement of research and development costs previously incurred (reported in payments for research and development); and \$38k for the reimbursement of legal fees and patent fees in relation to the intellectual property rights (reported in payments for administration and corporate costs).
3. During the December 2024 quarter, and in accordance with the conditions of the Heads of Agreement between Bod and Biortica Agrimed Limited (Biortica) signed on 9 February 2024, Biortica has funded the ongoing trading costs of the company. The funding from Biortica has been disclosed as other inflows from operating activities, while the costs have been disclosed as outflows on the relevant lines within operating activities.