

Quarterly Activities Report for the Period Ended 31 March 2024

Operational Updates

- Heads of Agreement signed with Biortica for backdoor listing
- Overseas research and development finding approved

Financial Updates

- Net cash from operating activities of \$3k
- Quarterly receipts from customers were \$129k

Sydney, Australia – 24 April 2024: Cannabis focused drug development and product innovation company, Bod Science Limited (Administrators Appointed) (“Bod” or “the Company”) (ASX: BOD), provides the following update on activities for the three-month period ended 31 March 2024 (Q3 FY2024).

Operational Overview:

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

On 15 March 2024, AusIndustry approved the Company’s research and development overseas finding and on 28 March 2024, an amended income tax assessment for the year ended 30 June 2023 was lodged with the Australian Taxation Office. The Company has recognised research and development tax incentive revenue of \$363,865 relating to overseas research and development expenditure incurred in the year ended 30 June 2023. The research and development tax incentive is expected to be received in cash in late April, net of the amount payable to the Australian Tax Office.

Financial Overview:

Net cash from operating activities of \$3k decreased by \$612k on Q2 FY2024 (\$615k). Q2 FY2024 included the receipt of the Company’s domestic R&D tax incentive of \$1,609k relating to FY2023 domestic R&D spend, while payments in all categories were significantly lower in Q3 FY2024 compared to Q2 FY2024 due to the Company entering voluntary administration in November 2023. The Q3 FY2024 net cash inflow was \$1,074k better than the PCP (Q3 FY2023: \$1,071k outflow) due to substantial reductions in all payment categories following the Company entering voluntary administration in November 2023.

Quarterly receipts from customers were \$131k, a decrease of \$154k (54%) on the last quarter (Q2 FY2024: \$285k) and a decrease of \$682k (84%) on the previous corresponding period (“PCP”) (Q3 FY2023: \$813k). The PCP included a receipt of \$550k from Arrotex Pharmaceuticals, representing an initial cash payment for exclusive supply of a unique Schedule 3 (pharmacist only) CBD product.

Other receipts from operating activities of \$347k represents funding received from Biortica to pay for the Company’s operating expenses.

During the quarter, the Company received \$100k from Biortica (classified as proceeds from disposal of entities) as the initial payment on signing of a Heads of Agreement with Biortica, which proposed that the Company enter into a DOCA, as noted in the Operational Overview.

The Company made payments totalling \$31k 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.

The Company is currently finalising a binding share purchase agreement with the ordinary shareholders of Biortica. The share purchase agreement will be 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 Company's shareholders in early May 2024, informing them that a shareholders 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 administrator of Bod Science Limited (Administrators Appointed).

-ENDS-

About Bod Science:

Bod Science Limited (Administrators Appointed) (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:

Jo Patterson
Chief Executive Officer
info@bodscience.com
+61 2 9199 5018

Appendix 4C

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

Name of entity

Bod Science Limited (Administrators Appointed)

ABN

89 601 225 441

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers ¹		129	913
1.2 Payments for			
(a) research and development		(9)	(1,072)
(b) product manufacturing and operating costs ²		39	(346)
(c) advertising and marketing		(15)	(223)
(d) leased assets ³		-	-
(e) staff costs		(370)	(1,633)
(f) administration and corporate costs ³		(90)	(841)
1.3 Dividends received		-	-
1.4 Interest received		1	4
1.5 Interest and other costs of finance paid ³		(29)	(159)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	1,609
1.8 Other ¹		347	447
1.9 Net cash from / (used in) operating activities		3	(1,301)
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities		-	-
(b) businesses		-	-
(c) property, plant and equipment		-	(121)
(d) investments		-	-
(e) intellectual property		(1)	(39)

Appendix 4C

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

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
	(f) other non-current assets ⁴	-	(1,917)
2.2	Proceeds from disposal of:		
	(a) entities ⁵	100	100
	(b) businesses	-	-
	(c) property, plant and equipment	20	20
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received	-	-
2.5	Other ⁶	-	130
2.6	Net cash from / (used in) investing activities	119	(1,827)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,930
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	-	(143)
3.5	Proceeds from borrowings ³	-	184
3.6	Repayment of borrowings	(53)	(1,200)
3.7	Transaction costs related to loans and borrowings	-	(1)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(53)	770

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	(365)	2,031
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3	(1,301)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	119	(1,827)

Appendix 4C

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

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(53)	770
4.5	Effect of movement in exchange rates on cash held	1	32
4.6	Cash and cash equivalents at end of period	(295)	(295)

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	162	75
5.2	Call deposits	-	-
5.3	Bank overdrafts	(457)	(440)
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	(295)	(365)

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 	31
6.2	Aggregate amount of payments to related parties and their associates included in item 1	31

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)	3
8.2	Cash and cash equivalents at quarter end (item 4.6)	(295)
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	(295)
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1) <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>	N/A
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? <div style="border: 1px solid black; padding: 2px; min-height: 20px;">N/A</div>	
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? <div style="border: 1px solid black; padding: 2px; min-height: 20px;">N/A</div>	
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? <div style="border: 1px solid black; padding: 2px; min-height: 20px;">N/A</div>	
	<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 April 2024
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Authorised by: **The Voluntary Administrators of Bod Science Limited (Administrator Appointed)**

Notes

1. A receipt of \$100k received in Q2 has been reclassified in the 9-month YTD figures to ensure consistency of classification throughout the year. The reclassification resulted in: a \$100k increase in Other cash flows from operating activities; and a \$100k decrease in Receipts from customers.
2. Receipts of \$39k from product manufacturing and operating costs include a refund of \$47k received during the quarter relating to the partial refund of a deposit of \$218k paid to a supplier in the September 2023 quarter for products that were not delivered in full.
3. Following the adoption of AASB 16 – Leases, payments made in Q2 have been reclassified in the 9-month YTD figures to ensure consistency of classification throughout the year. The reclassifications resulted in: a \$28k increase in repayment of borrowings; a \$24k increase in interest and other costs of finance paid; a \$17k decrease in leased asset payments; and a \$35k decrease in administration and corporate costs.
4. The YTD payment of £985k (\$1,917k) for other non-current assets in section 2.1(f) relates to the completion of the acquisition of an invention known as “Aqua Phase” and related assets (Invention). Total consideration for the acquisition of Aqua Phase was £1,000k but the amount paid in cash was reduced by a loan of £15k previously provided to one of the inventors.
5. Proceeds on disposal of an entity of \$100k represents a payment made by Biortica Agrimed Limited to Bod Science following the signing of a Heads of Agreement on 9th February 2024 in relation to a deed of company arrangement proposed by Biortica Agrimed Limited.
6. YTD net cash inflow of \$130k in section 2.6 Other cash from investing activities relates to the reimbursement by the landlord of the company's previous office premises for fixtures, fittings and office equipment purchased by the company during the June 2023 and September 2023 quarters, under the terms of the lease agreement.