

## Quarterly Activities Report for the Period Ended 31 December 2023

### Operational Updates

- Bod appointed Andrew Barnden and Brent Morgan of Rodgers Reidy as Joint and Several Voluntary Administrators on 29<sup>th</sup> November 2023

### Financial Updates

- Net cash from operating activities of \$587k
- Quarterly receipts from customers were \$385k

**Sydney, Australia – 30th January 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 December 2023 (Q2 FY2024).

### Operational Overview:

On 29<sup>th</sup> November 2023, the Board of Directors of the Company appointed Andrew Barnden and Brent Morgan of Rodgers Reidy as Joint and Several Voluntary Administrators of the Company pursuant to section 436A of the Corporations Act 2001. The Administrators have assumed control of the Company’s business and assets and are working with the Board of Directors during the administration period to maximise the outcome for all stakeholders of the Company.

### Financial Overview:

Net cash from operating activities of \$587k. Cash inflows during Q2 FY2024 included the receipt of the Company’s R&D tax incentive of \$1,609k relating to FY2023 R&D spend whilst payments reduced in most categories due to entering into voluntary administration on 29<sup>th</sup> November 2023. The Q2 FY2024 net cash inflow was \$1,776k which was better than the PCP (Q2 FY2023: \$1,189k outflow) due to a reduction in research and development payments from reduced activity as two major clinical trials neared completion and the impact of the Company entering voluntary administration during the quarter.

Quarterly receipts from customers were \$385k, a decrease of \$114k (23%) on the last quarter (Q1 FY2024: \$499k) and a decrease of \$104k (21%) on the previous corresponding period (“PCP”) (Q2 FY2023: \$489k).

Receipts during Q2 FY2024 included the final receipt of overdue payments from Health & Happiness, which had been the subject of a commercial dispute.

Expenses associated with key clinical trials (Phase IIb clinical trial of unique Schedule 3 CBD product) and associated PK studies are near complete. Research and development payments during the quarter of \$226k were \$611k down on Q1 FY2024 (\$837k) and were \$1,094k down on Q2 FY2023 (\$1,320k) due to entering the closing stages of these clinical trials and due to the Company entering voluntary administration.

During the quarter, the Company repaid in full loans of \$1,119k to Radium Capital, representing the proceeds of loans previously taken out and secured against the Company’s FY2023 research and development tax incentive. The interest expense on these loans (disclosed in operating cashflow) was \$97k.

Following shareholder approval at the Company’s extraordinary general meeting on 3<sup>rd</sup> October 2023, the Company received proceeds of \$150k from Chairman David Baker, representing his portion of the August 2023 equity placement.

The Company made payments totalling \$68k to related parties during the quarter, representing remuneration paid to directors of \$64k and the cost of printing materials paid to an associate of a director of \$4k.

**Outlook:**

Rodgers Reidy is proceeding with the voluntary administration process and are expected to issue a detailed report to creditors in March 2024, to convene the second meeting of creditors. This report will set out the background of the Company, update on the voluntary administration process and investigations conducted to date, together with recommendations to creditors in respect to the available options. Indicative offers to acquire the assets of the Company closed on 18<sup>th</sup> January 2024. The Voluntary Administrators are currently reviewing these offers to maximise the outcome for all stakeholders.

**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:**

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## 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 December 2023

Consolidated statement of cash flows	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	385	884
1.2 Payments for		
(a) research and development	(226)	(1,063)
(b) product manufacturing and operating costs	(54)	(385)
(c) advertising and marketing	(54)	(208)
(d) leased assets	(17)	(17)
(e) staff costs	(549)	(1,263)
(f) administration and corporate costs	(401)	(785)
1.3 Dividends received	-	-
1.4 Interest received	-	3
1.5 Interest and other costs of finance paid	(106)	(106)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,609	1,609
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>587</b>	<b>(1,331)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(58)	(121)
(d) investments	-	-
(e) intellectual property	-	(38)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(f) other non-current assets <sup>1</sup>	-	(1,917)
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(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 <sup>2</sup>	-	130
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(58)</b>	<b>(1,946)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	150	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	(39)	(143)
3.5 Proceeds from borrowings	-	184
3.6 Repayment of borrowings	(1,119)	(1,119)
3.7 Transaction costs related to loans and borrowings	-	(1)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(1,008)</b>	<b>851</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	115	2,031
4.2 Net cash from / (used in) operating activities (item 1.9 above)	587	(1,331)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(58)	(1,946)

Appendix 4C  
Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>Consolidated statement of cash flows</b>		<b>Current quarter</b>	<b>Year to date (6 months)</b>
		<b>\$A'000</b>	<b>\$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,008)	851
4.5	Effect of movement in exchange rates on cash held	(1)	30
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>(365)</b>	<b>(365)</b>

<b>5. Reconciliation of cash and cash equivalents</b>	<b>Current quarter</b>	<b>Previous quarter</b>	
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>\$A'000</b>	<b>\$A'000</b>	
5.1	Bank balances	75	115
5.2	Call deposits	-	-
5.3	Bank overdrafts	(440)	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>(365)</b>	<b>115</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter</b>	
	<b>\$A'000</b>	
6.1	Aggregate amount of payments to related parties and their associates included in item 1:	
•	Salaries/fees paid to directors	64
•	Cost of printing materials paid to an associate of a director	4
6.2	Aggregate amount of payments to related parties and their associates included in item 1	68

*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.*

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	587
8.2 Cash and cash equivalents at quarter end (item 4.6)	(365)
8.3 Unused finance facilities available at quarter end (item 7.5)	-
<b>8.4 Total available funding (item 8.2 + item 8.3)</b>	<b>(365)</b>
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	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?	
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?	
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?	
<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: 30 January 2024.....

Authorised by: **The Joint and Several Voluntary Administrators of Bod Science Limited  
(Administrators Appointed)**

## **Notes**

1. 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.
2. 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 new 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.