

Quarterly Activities Report for the Period Ended 30 September 2024

Financial Updates

- Net cash used in operating activities of \$4k
- Quarterly receipts from customers were \$149k

Sydney, Australia – 17 October 2024: 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 30 September 2024 (Q1 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.

The DOCA will be effectuated once the conditions subsequent to the DOCA are satisfied, in particular the passing of the various resolutions at an extraordinary general meeting of the Company. The extraordinary general meeting had previously expected to be held in or around September 2024. However, due to further delays in executing the Share Purchase Agreement with Biortica, in particular complying with the ASX requirements involving the audit of the Company’s and Biortica’s financial statements, 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 late November 2024. 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 outflow from operating activities of \$4k decreased by \$273k on Q4 FY2024 (net cash inflow of \$269k) due to the receipt of \$364k in Q4 FY2024 of the Company’s R&D tax incentive relating to FY2023 overseas R&D spend. The Q1 FY2025 net cash outflow was \$1,914k lower than the PCP (Q1 FY2024: \$1,918k) due to substantial reductions in all payment categories following 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 \$149k, an increase of \$95k (176%) on the last quarter (Q4 FY2024: \$54k) and a decrease of \$350k (70%) on the previous corresponding period (“PCP”) (Q1 FY2024: \$499k). The increase on the prior quarter is due to an increase in sales volumes and the resumption of cash receipts from the Company’s largest distributor following the settlement of a secured advance previously made by that distributor.

Other receipts from operating activities of \$356k represents funding received from Biortica to pay for the Company’s operating expenses.

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 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

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Rules, including all necessary shareholder approvals.

It is expected that a notice of meeting will be sent to Company's shareholders in or around late October 2024, 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")

30 September 2024

Consolidated statement of cash flows	Current quarter	Year to date (3 months)
	\$A'000	\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	149	149
1.2 Payments for		
(a) research and development	(18)	(18)
(b) product manufacturing and operating costs	(4)	(4)
(c) advertising and marketing	(3)	(3)
(d) leased assets	-	-
(e) staff costs	(330)	(330)
(f) administration and corporate costs	(157)	(157)
1.3 Dividends received	-	-
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other ¹	356	356
1.9 Net cash from / (used in) operating activities	(4)	(4)
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 (3 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	-	-
	(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	-	-

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)	(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)	(9)

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

Consolidated statement of cash flows		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(9)	(9)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	(39)	(39)

5.	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		\$A'000	\$A'000
5.1	Bank balances	421	434
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)	(39)	(26)

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. 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)	(4)
8.2 Cash and cash equivalents at quarter end (item 4.6)	(39)
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	(39)
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?	
The Company is launching a number of new SKUs in the December 2024 quarter and also expects to increase its number of distributors, both of which will increase the receipts from customers and improve its net cash flows from operations.	
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?	
The Company expects that approval of the various condition subsequent resolutions in respect to Biortica Agrimed Limited's ("Biortica") DOCA will be received from shareholders, together with the ASX in-principle advice and accordingly, the backdoor listing of Biortica will provide the Company with an ongoing sustainable source of debt and equity funding.	
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?	
The DOCA entered into between the Company and Biortica provides for Biortica to undertake to meet the ongoing trading costs to effectuation of the DOCA. In addition, it is assumed that shareholder approval of the terms of the DOCA will be received and that the subsequent proposed capital raising by Biortica is successful.	
<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: 17 October 2024

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

Notes

1. During the September 2024 quarter, and in accordance with the conditions of the Heads of Agreement between Bod and 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.

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