



**BOD AUSTRALIA LIMITED ACN 601 225 441**

**NON-RENOUNCEABLE PRO RATA ENTITLEMENT OFFER  
OFFER BOOKLET**

**4 for 17 Pro Rata Non-Renounceable Entitlement Offer  
at an Offer Price of \$0.08 per New Share  
to raise a maximum of approximately \$2.0 million (before costs)**

**The Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 23 September 2022**

The Entitlement Offer is partially underwritten.

This Offer Booklet and the Entitlement and Acceptance Form are important documents that require your immediate attention. They should be read in their entirety. If, after reading the Offer Booklet and Entitlement and Acceptance Form, you have any questions, you should contact your stockbroker, solicitor, accountant or other professional adviser. This Offer Booklet is not a prospectus and has not been (and will not be) lodged with the Australian Securities and Investments Commission.

Not for distribution or release in the United States or to U.S. persons.

## Important Information

---

This Offer Booklet is issued by Bod Australia Limited (ACN 601 225 441) (**Bod** or the **Company**) and is dated 9 September 2022.

This Offer Booklet together with the Entitlement and Acceptance Form (obtained online via <https://events.miracle.com/BOD-NRE>) are important and should be read in their entirety before deciding whether or not to participate in the Entitlement Offer. In particular, you should consider the risk factors outlined in the Investor Presentation attached as Annexure A to this Offer Booklet.

No person is authorised to give any information or make any representation in connection with the Entitlement Offer described in this Offer Booklet, which is not contained in this Offer Booklet. Any information or representation not contained in this Offer Booklet may not be relied on as being authorised by the Company in connection with the Entitlement Offer.

### Not a Prospectus

**The Entitlement Offer to which this Offer Booklet relates complies with the requirements of section 708AA of the Corporations Act. Accordingly, neither this Offer Booklet nor the Entitlement and Acceptance Form is a prospectus for the purposes of the Corporations Act. Accordingly, these documents do not contain all of the information that a prospective investor may require to make an investment decision. They do not, and are not required to, contain all of the information which would otherwise be required to be disclosed in a prospectus. They are not required to be, and will not be, lodged with ASIC.**

This Offer Booklet should be read in conjunction with the Company's other periodic and continuous disclosure announcements to ASX available at [www.asx.com.au](http://www.asx.com.au).

By paying for your New Shares through BPAY in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Offer Booklet and you have acted in accordance with and agreed to the terms of the Entitlement Offer detailed in this Offer Booklet. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved.

### No overseas registration

This Offer Booklet does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer or the New Shares, or otherwise permit a public offering of the New Shares, in any jurisdiction outside of Australia and New Zealand.

Accordingly, this Entitlement Offer is not being extended to, and no New Shares will be issued to, Shareholders having registered addresses outside Australia and New Zealand (unless the Company, at its discretion, determines that an offer can be made outside those jurisdictions in compliance with applicable securities laws).

### Future Performance and Forward-Looking Statements

Neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made under this Offer Booklet.

Some statements in this Offer Booklet are in the nature of forward-looking statements. Forward-looking statements may be identified by words such as "aim", "intend", "should", "expect", "estimate" and similar expressions. Such statements are not statements of fact and are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretation of current market conditions. Forward-looking statements, opinions and estimates are not guarantees of future performance and involve known and

unknown risks, uncertainties, assumptions and other factors, many of which are beyond the control of the Company, the Directors and management which may cause actual results to differ materially from those expressed or implied in such statements.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither the Company nor any other person gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will occur.

### **Past Performance**

Investors should note that past performance, including the past share price performance of the Company, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) the future performance of the Company including its future share price.

### **Financial amounts**

All numbers in this Offer Booklet are in Australian dollars and any financial data is presented as at the date stated in this Offer Booklet.

### **Times and dates**

Times and dates in this Offer Booklet are indicative only and may be subject to change. All times and dates refer to Sydney time. Refer to the "Key Dates" section of this Offer Booklet for more details.

### **Entitlement Offer non-renounceable**

The rights to subscribe for New Shares pursuant to the Entitlement Offer are non-renounceable. Therefore, you cannot trade entitlements on the ASX and you cannot transfer or otherwise dispose of them.

If you are in any doubt as to these matters you should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

## **Table of Contents**

---

|                                                       |           |
|-------------------------------------------------------|-----------|
| <b>Chairman’s Letter</b>                              | <b>5</b>  |
| <b>Key dates and Entitlement Offer details</b>        | <b>7</b>  |
| <b>1. Details of the Entitlement Offer</b>            | <b>10</b> |
| <b>2. How to apply</b>                                | <b>16</b> |
| <b>3. Purpose and effect of the Entitlement Offer</b> | <b>20</b> |
| <b>4. Important information</b>                       | <b>22</b> |
| <b>5. Glossary</b>                                    | <b>26</b> |
| <b>Corporate Directory</b>                            | <b>28</b> |
| <b>Annexure A – Investor Presentation</b>             | <b>29</b> |

## Chairman's Letter

---

9 September 2022

Dear Shareholder

As a valued shareholder of Bod Australia Limited (**Bod** or the **Company**), I am pleased to offer you the opportunity to participate in a non-renounceable pro rata entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) at an issue price of \$0.08 per New Share (**Offer Price**) to raise a maximum of approximately \$2.0 million (before costs) (**Entitlement Offer**).

The Offer Price represents a discount of 18.3% to the 5-day VWAP of \$0.098 as of 29 August 2022 (the last day of trading of Bod shares prior to announcement of the Entitlement Offer).

The Company has also undertaken a successful placement of New Shares at the Offer Price to raise approximately \$1.5 million (before costs) (**Placement**), which includes the conditional Director Placement.

The funds raised under the Placement and the Entitlement Offer (together, the **Capital Raising**) will primarily be used for the initial cash consideration payable for the acquisition of the Aqua Phase invention – please refer to section 1.2 of the Offer Booklet for further details on the intended uses of funds raised under the Capital Raising.

### Details of the Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders have the opportunity to subscribe for 4 New Shares for every 17 existing Shares held at 7.00pm (Sydney time) on the record date of 6 September 2022 (**Record Date**) at the Offer Price of \$0.08 per New Share.

The number of New Shares you are entitled to subscribe for under the Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form. Eligible Shareholders who apply for 100% of their Entitlement are also entitled to apply for New Shares in excess of their Entitlement under the Shortfall Facility.

The Entitlement Offer is non-renounceable and therefore your Entitlements will lapse and your Shareholding will be diluted if you do not wish to take up some or all of the New Shares representing your Entitlement.

The Entitlement Offer will be partially underwritten to an aggregate value of \$100,000 worth of shortfall shares (**Underwriting Commitment**) by Chairman David Baker (**Underwriter**). Further details of the Underwriting Commitment are provided at Section 1.5 of this Offer Booklet.

### Acquisition of Aqua Phase

The funds raised are intended to be used to partly fund the acquisition of 'Aqua Phase' which comprises a process technology which (subject to further upcoming testing) increases the bioavailability of cannabis compounds, together with all intellectual property (including a patent application), confidential information, records, goodwill and the right to use the name 'Aqua Phase' (refer ASX announcement of 29 August 2022).

Bod plans to utilise Aqua Phase through its two existing commercial divisions and to enter significant new markets including the US and Europe. On completion, and subject to the conditions precedent and successful further testing, the acquisition is expected to provide Bod with a world-class invention that has the potential to increase the bioavailability of cannabis compounds. This is expected to provide opportunities for new delivery formats for cannabis products which are superior to the existing oral formats that are currently available.

There are certain conditions precedent to completion of the acquisition, which must be satisfied or waived. Please refer to the Company's ASX announcement of 29 August 2022, and the investor presentation of 1 September 2022 (available at [www.asx.com.au](http://www.asx.com.au)) for further details.

### Other information

The number of New Shares that you are entitled to subscribe for under the Entitlement Offer is set out in your personalised Entitlement and Acceptance Form (obtained online via <https://events.miracle.com/BOD-NRE>).

This Information Booklet contains important information, including:

- a timetable of key dates;
- instructions on how to take up all or part of your Entitlement via BPAY; and
- an Investor Presentation (see **Annexure A**) that contains an update on the business of the Company, the acquisition of Aqua Phase and the results details of the Placement.

The Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 23 September 2022, unless extended by the Company.

Please read in full the details on how to submit your Application, which are set out in this Offer Booklet. For further information regarding the Entitlement Offer, please call the the Bod Australia Limited Offer Information Line from 8:30am to 5:30pm (Sydney time) Monday to Friday on 1800 881 526 (callers within Australia) or +61 1800 881 526 (callers outside Australia) during the Entitlement Offer period.

You should also consult your stockbroker, solicitor, accountant or other professional adviser if you have any questions regarding whether or not to participate in the Entitlement Offer.

On behalf of the Board of Bod, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely



Mr David Baker  
Chairman  
Bod Australia Limited

## Key details

| Summary of the Entitlement Offer & Placement                                                                                                      |                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Entitlement Offer Ratio                                                                                                                           | 4 New Shares for every 17 Shares held by Eligible Shareholders on the Record Date |
| Offer Price                                                                                                                                       | \$0.08 per New Share                                                              |
| Maximum number of New Shares to be issued under the Entitlement Offer assuming 100% subscribed                                                    | ~24.9 million New Shares                                                          |
| Number of New Shares to be issued under the Placement (assuming the Director Placement is approved)                                               | ~18.75 million New Shares                                                         |
| Maximum number of New Shares to be issued under the Capital Raising                                                                               | 43.7 million New Shares                                                           |
| Maximum amount to be raised under the Entitlement Offer assuming 100% subscribed                                                                  | \$2.0 million                                                                     |
| Maximum amount to be raised under the Placement                                                                                                   | \$1.5 million                                                                     |
| Maximum amount to be raised under the Capital Raising (before costs, assuming Director Placement approved and Entitlement Offer fully subscribed) | \$3.5 million                                                                     |
| Capital Structure                                                                                                                                 |                                                                                   |
| Subject to rounding of fractional Entitlements, the capital structure of Bod following the issue of New Shares is expected to be as follows:      |                                                                                   |
| Shares on issue as at 1 September 2022 (announcement of the Entitlement Offer and Placement)                                                      | 105.9 million                                                                     |
| Shares to be issued under the Placement (assuming Director Placement is approved)                                                                 | 18.7 million                                                                      |
| Maximum number of New Shares to be issued under the Entitlement Offer (assuming 100% subscribed)                                                  | 24.9 million                                                                      |
| Total Shares on issue following completion of the Capital Raising (assuming the Entitlement Offer is 100% subscribed)                             | 149.5 million                                                                     |
| Options on issue on completion of the Capital Raising                                                                                             | 15.7 million                                                                      |

The key details assume that the Entitlement Offer will be fully subscribed and that the Director Placement (of \$150,000 worth of New Shares as part of the Placement) will be approved by Shareholders. There is no guarantee that this will occur. Refer to slide 25 of the Investor Presentation for details of the impact on key metrics in the event that the Entitlement Offer is 50% subscribed.

## Key Dates

The indicative timetable for the Capital Raising is as follows:

| Event                                                                                               | Date (2022)                 |
|-----------------------------------------------------------------------------------------------------|-----------------------------|
| <b>Record Date for Entitlement Offer (7.00pm Sydney time)</b>                                       | <b>Tuesday, 6 September</b> |
| Settlement of the Placement                                                                         | Tuesday, 6 September        |
| New Shares issued under the Placement                                                               | Wednesday, 7 September      |
| Offer Booklet made available to Eligible Shareholders and lodged with ASX                           | Friday, 9 September         |
| <b>Entitlement Offer Opening Date</b>                                                               | <b>Friday, 9 September</b>  |
| <b>Entitlement Offer Closing Date</b>                                                               | <b>Friday, 23 September</b> |
| Announcement of results of Entitlement Offer                                                        | Wednesday, 28 September     |
| Settlement of the Entitlement Offer                                                                 | Thursday, 29 September      |
| Issue of New Shares under the Entitlement Offer                                                     | Friday, 30 September        |
| Trading of the New Shares issued under the Entitlement Offer commences on a normal settlement basis | Monday, 3 October           |
| Despatch of holding statements for New Shares issued under the Entitlement Offer                    | Tuesday, 4 October          |

This timetable is indicative only and subject to change. The Company may vary these dates subject to the Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares. The Directors also reserve the right to withdraw or not proceed with the Entitlement Offer at any time before the allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

The commencement of quotation New Shares is subject to the discretion of ASX.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

## Is this Offer Booklet relevant to you?

This Offer Booklet is relevant to you if you are an Eligible Shareholder.

"Eligible Shareholders" are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (Sydney time) on 6 September 2022;
- have a registered address in Australia or New Zealand, or are otherwise Shareholders who the Company has determined are eligible to participate in the Entitlement Offer;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States); and
- are eligible under all applicable securities laws to receive and participate in the Entitlement Offer.

In this Offer Booklet, references to “you” are references to Eligible Shareholders and references to “your Entitlement” (or “your Entitlement and Acceptance Form”) are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Shareholders.

### **Provision of documents to you**

Eligible Shareholders who have elected to receive documents electronically from the Company will receive online access to the Offer Booklet and to their personalised Entitlement and Acceptance Form by email.

Eligible Shareholders who have not elected to receive electronic communications will be posted a letter detailing how to access this Offer Booklet and their personalised Entitlement and Acceptance Form through <https://events.miracle.com/BOD-NRE> or, alternatively, how to request paper copies of this Offer Booklet and their personalised Entitlement and Acceptance Form.

### **Enquiries**

For further information please call the Bod Australia Limited Offer Information Line from 8:30am to 5:30pm (Sydney time) Monday to Friday on 1800 881 526 (callers within Australia) or +61 1800 881 526 (callers outside Australia). Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

## 1 Details of the Entitlement Offer

### 1.1 Overview

The Company is making a pro rata, non-renounceable offer of 4 New Shares for every 17 Shares held by Eligible Shareholders registered at 7.00pm (Sydney time) on the Record Date, being 6 September 2022.

The Offer Price is \$0.08 per New Share. The Offer Price represents a discount of 18.3% to the 5-day VWAP of \$0.098 as of 29 August 2022 (the last day of trading of Bod shares prior to announcement of the Entitlement Offer).

The Entitlement Offer will raise a maximum of approximately \$2.0 million, assuming all of the New Shares offered under the Entitlement Offer are subscribed for. The Entitlement Offer is not fully underwritten, so if there is a Shortfall the Company may not raise the full amount sought under the Entitlement Offer.

There is no minimum subscription to participate in the Entitlement Offer.

Eligible Shareholders may subscribe for all or part of their Entitlement. Eligible Shareholders who subscribe for all of their Entitlement may apply for New Shares in excess of their Entitlement under the Shortfall Facility (refer to section 1.10).

The rights to subscribe for New Shares pursuant to the Entitlement Offer are non-renounceable. Therefore, you cannot trade Entitlements on the ASX and you cannot transfer or otherwise dispose of them. If you do not take up all of your Entitlement you will be diluted as a result of the Entitlement.

The choices available to Eligible Shareholders in respect of the Entitlement Offer are described in Section 2. The Entitlement Offer is scheduled to close at **5.00pm (Sydney time) on Friday, 23 September 2022**.

Eligible Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are set out in the Investor Presentation attached as Annexure A to this Offer Booklet.

### 1.2 Purpose of Entitlement Offer

The Entitlement Offer will raise a maximum of approximately \$2.0 million (before costs associated with the Entitlement Offer).

The Company intends to apply the funds raised under the Entitlement Offer and Placement for the following uses:

| Intended use of funds                                                                                                 |               |
|-----------------------------------------------------------------------------------------------------------------------|---------------|
| Sources                                                                                                               | A\$(m)        |
| Placement proceeds (assumes Director Placement is approved)                                                           | \$1.5m        |
| Targeted Entitlement Offer Proceeds (assumes fully subscribed)                                                        | \$2.00m       |
| <b>Total:</b>                                                                                                         | <b>\$3.5m</b> |
| Uses                                                                                                                  | A\$(m)        |
| Initial cash consideration for Aqua Phase acquisition (which is subject to fluctuations in the AUD:GBP exchange rate) | \$1.70m       |
| R&D and working capital                                                                                               | \$1.59m       |

| Intended use of funds                        |                |
|----------------------------------------------|----------------|
| Offer costs (assumes maximum fee is payable) | \$0.21m        |
| <b>Total</b>                                 | <b>\$3.50m</b> |

The Company reserves the right to vary the uses of funds raised under the Capital Raising at the discretion of the Board of Directors, including for example in the event that the acquisition of Aqua Phase does not proceed.

The use of funds assumes that the Entitlement Offer is fully subscribed and the Director Placement component of the Placement is approved by Shareholders.

In the event that the Entitlement Offer is 50% subscribed, the gross proceeds of the Capital Raising will be \$2.5 million (before costs), in which case a lesser amount will be allocated to R&D and working capital costs.

### 1.3 Acquisition

Part of the proceeds of the Capital Raising will be used to fund the acquisition of Aqua Phase. Refer to the Investor Presentation for further details of Aqua Phase and the terms of its acquisition.

### 1.4 Eligibility to participate

The Entitlement Offer is being made to all Eligible Shareholders (as defined in the Glossary in Section 5). The number of New Shares to which each Eligible Shareholder is entitled is shown in your personalised Entitlement and Acceptance Form, available at <https://events.miracle.com/BOD-NRE>.

Directors and other related parties who are Eligible Shareholders may participate in the Entitlement Offer (but not the Shortfall Facility).

Any Shareholder that is not an Eligible Shareholder will be an Ineligible Shareholder. The Company reserves the right to determine whether a shareholder is an Eligible Shareholder or an Ineligible Shareholder.

By making a payment via BPAY, you will be taken to have represented and warranted that you satisfy each of the criteria to be an Eligible Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice on how to proceed.

The Entitlement Offer is not being extended to the Ineligible Shareholders because of the small number of those Shareholders, the number and value of the Shares they hold and the cost of complying with applicable regulations in foreign jurisdictions.

The Directors reserve the right to reject any Application that they believe comes from a person who is not an Eligible Shareholder.

### 1.5 Director commitments to take up Entitlements

The Chairman, David Baker (through a controlled entity) has committed to take up 100% of his Entitlement under the Entitlement Offer, representing approximately \$18.8k worth of New Shares.

Non-executive Director George Livery has committed to take up 100% of the Entitlements of himself and his related parties, representing approximately \$6.0k of New Shares.

## 1.6 Director Placement

Chairman David Baker (or a controlled entity) has committed to subscribe for \$100,000 worth of New Shares under the Placement.

Managing Director Joanne Patterson (or a controlled entity) has committed to subscribe for \$50,000 worth of New Shares under the Placement.

The placement of New Shares to David Baker and Joanne Patterson is subject to Shareholder approval for the purposes of ASX Listing Rule 10.11 and will be voted on at the Company's upcoming Annual General Meeting.

The placement of New Shares to David Baker and Joanne Patterson is referred to as the Director Placement.

## 1.7 Overview of Underwriting Commitment

The Entitlement Offer will be partially underwritten to the value of \$100,000 (**Underwriting Commitment**) by Chairman David Baker (the **Underwriter**), a related party of the Company.

Any Entitlements not taken up under the Entitlement Offer or the Shortfall Facility will be taken up by the Underwriter to the extent of its Underwriting Commitment, on the terms of, and subject to, the conditions of the underwriting agreement entered into between the Underwriter and the Company (**Underwriting Agreement**) on 29 August 2022 (see Section 1.8 for further details).

The Underwriter will not be paid a fee in consideration for their Underwriting Commitment.

Under no circumstances will the Underwriter be obliged to subscribe for more Additional New Shares (described below) than their Underwriting Commitment.

## 1.8 Summary of key terms of Underwriting Agreement

A summary of the events which would entitle the Underwriter to terminate the Underwriting Agreement is set out in Appendix 5 of the Investor Presentation.

Pursuant to the Underwriting Agreement, the Company agrees to indemnify and hold harmless the Underwriter against any loss arising directly or indirectly from a breach by the Company of the Underwriting Agreement or applicable law.

## 1.9 Entitlements and acceptance

Details of how to apply under the Entitlement Offer are set out in Section 2 of this Offer Booklet.

The Entitlement of Eligible Shareholders to participate in the Entitlement Offer will be determined on the Record Date and is set out in your personalised Entitlement and Acceptance Form. Shareholders who subscribe for their Entitlement in full may apply for New Shares in excess of their Entitlement under the Shortfall Facility (see section 1.10 below).

The Entitlement Offer is non-renounceable and accordingly Entitlements may not be purchased, sold or transferred.

### 1.10 Shortfall Facility

#### (a) *Shortfall Facility*

The Entitlement Offer incorporates a Shortfall Facility under which Eligible Shareholders can apply for New Shares in excess of their pro rata Entitlement (**Additional New Shares**). The issue of Additional New Shares will be dependent on there being a Shortfall in the take up of pro rata entitlements under the Entitlement Offer.

Eligible Shareholders who wish to apply for Additional New Shares under the Shortfall Facility can do so by specifying the number of Additional New Shares they wish to apply for on their Entitlement and Acceptance Form.

There is no maximum number of Additional New Shares that an Eligible Shareholder may apply for.

#### (b) *Allocation of Shortfall among applicants under the Shortfall Facility*

In the event that the Shortfall is equal to or greater than the number of Additional New Shares applied for under the Shortfall Facility, all of the Additional New Shares applied for under the Shortfall Facility will be allocated to applicants under the Shortfall Facility (to the extent permitted by law).

In the event that the Shortfall is less than the number of Additional New Shares applied for under the Shortfall Facility, scale-back will apply to applicants under the Shortfall Facility. The scale-back among those applicants will be considered and determined by the Board at its discretion, taking into account the total Shortfall, the number of Additional New Shares applied for and each applicant's current shareholding.

#### (c) *No certainty regarding allocations*

There can be no guarantee of the number of Additional New Shares available to Eligible Shareholders under the Shortfall Facility.

Eligible Shareholders who apply for Additional New Shares under the Shortfall Facility will be bound to accept any lesser number of Additional New Shares allocated to them in accordance with the allocation procedure described above. If you do not receive all of the Additional New Shares you applied for, any excess application monies will be returned to you without interest.

The Board's decision as to the allocation of Additional New Shares will be final and binding.

#### (d) *How to apply for Additional New Shares*

Eligible Shareholders who wish to apply for Additional New Shares should follow the instructions in the Entitlement and Acceptance Form and make payment for the Additional New Shares via BPAY. Any Additional New Shares that are applied for must be paid for at the same time, and in the same way, that the New Shares to be issued pursuant to the acceptance of Entitlements are paid for.

### 1.11 Placement of Shortfall

If there is a Shortfall after completion of the Entitlement Offer (and the Shortfall Facility), the Company reserves the right to place any Shortfall with any professional or sophisticated investors who may elect to subscribe for New Shares. Any Shortfall must be issued within three months of the Closing Date and at a price per New Share that is no less than the Offer Price.

The Directors reserve the right to issue any Shortfall at their discretion.

#### **1.12 Lead Manager**

Taylor Collison Limited is acting as sole lead manager to the Capital Raising. Taylor Collison has no underwriting obligations with respect to the Capital Raising.

#### **1.13 Capital structure following completion of the Entitlement Offer**

The capital structure of the Company following completion of the Entitlement Offer is set out in the 'Key Details' section of this Offer Booklet.

#### **1.14 Optionholders**

Optionholders will not be entitled to participate in the Entitlement Offer unless they:

- are entitled to exercise their options under the terms of their issue and do so, so that they are registered as holders of Shares prior to the Record Date; and
- participate in the Entitlement Offer as a result of being a holder of Shares registered on the register of the Company at the Record Date.

#### **1.15 Ranking of New Shares**

The New Shares issued under the Entitlement Offer will be fully paid and rank equally with existing Shares. The rights and liabilities attaching to the New Shares are set out in Bod's constitution, a copy of which is available by request by calling the Bod Australia Limited Offer Information Line from 8:30am to 5:30pm (Sydney time) Monday to Friday on 1800 881 526 (callers within Australia) or +61 1800 881 526 (callers outside Australia) during the Entitlement Offer period.

It is also available on Bod's website ([www.bodscience.com/investors/corporate/](http://www.bodscience.com/investors/corporate/)).

#### **1.16 Quotation and Allotment**

The Company will apply to the ASX for quotation of the New Shares.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares.

Allotment of New Shares under the Entitlement Offer will only be made after permission for their quotation on the ASX has been granted.

Application Monies will be held by the Company on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

#### **1.17 Issue and Despatch**

The expected dates for issue of New Shares offered by this Offer Booklet and despatch of holding statements is expected to occur on the dates specified in the 'Key details' section of this Offer Booklet.

Eligible Shareholders who have elected to receive communications from the Company by email will be emailed the Offer Booklet at their nominated email address.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements do so at their own risk.

### **1.18 CHESS**

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be Company sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Booklet. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and Company sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

### **1.19 Further information**

Eligible Shareholders can obtain a copy of this Offer Booklet and their personalised Entitlement and Acceptance Form from the Entitlement Offer website at <https://events.miraql.com/BOD-NRE> during the Entitlement Offer period. Eligible Shareholders will need to provide their Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode to access their personalised Entitlement and Acceptance Form on the Company's offer website.

A copy of this Offer Booklet can also be obtained online from the ASX website at [www.asx.com.au](http://www.asx.com.au), however the online version on the ASX website does not include the personalised Entitlement and Acceptance Form.

Persons who access the electronic version of this Offer Booklet and the Entitlement and Acceptance Form should ensure that they download and read the entirety of each document.

In addition, paper copies of this Offer Booklet and the Entitlement and Acceptance Form can be obtained by calling the the Bod Australia Limited Offer Information Line from 8:30am to 5:30pm (Sydney time) Monday to Friday on 1800 881 526 (callers within Australia) or +61 1800 881 526 (callers outside Australia) during the Entitlement Offer period.

## 2 How to apply

---

### 2.1 What Eligible Shareholders may do

The number of New Shares to which you are entitled is shown in your personalised Entitlement and Acceptance Form (obtained online via <https://events.miracle.com/BOD-NRE>).

Eligible Shareholders may:

- (a) apply for all of your Entitlement and, if you do, apply for Additional New Shares under the Shortfall Facility (refer to Section 2.2);
- (b) apply for part of your Entitlement, in which case the balance will lapse (refer to Section 2.3); or
- (c) do nothing and allow all of your Entitlement to lapse (refer to Section 2.4).

If you have more than one registered holding of Shares, you will be provided with more than one Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

### 2.2 Taking up all of your Entitlement and participating in the Shortfall Facility

If you wish to take up your Entitlement in full and apply for Additional New Shares in the Shortfall Facility, follow the instructions set out in the Entitlement and Acceptance Form.

Please make payment by BPAY so that cleared funds are received **no later than 5.00pm (Sydney time) on 23 September 2022**.

### 2.3 Taking up part of your Entitlement and electing for the balance to lapse

If you wish to take up part of your Entitlement and allow the rest to lapse, make payment via BPAY for the number of New Shares you wish to take up by following the steps set out in the Entitlement and Acceptance Form.

If payment is made through BPAY and the Company receives an amount that is less than the Offer Price multiplied by your Entitlement (**Reduced Amount**), your payment may be treated as an application for as many New Shares as the Reduced Amount will pay for in full.

The portion of your Entitlement not taken up will lapse without further action by you.

### 2.4 Allow your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse. Your percentage shareholding in the Company will be diluted.

### 2.5 Payment for your Entitlement

Eligible Shareholders may only make payment for New Shares via BPAY.

Please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.

Please note that by paying by BPAY:

- you do not need to submit the Entitlement and Acceptance Form but are taken to make the declarations on the Entitlement and Acceptance Form; and
- you are deemed to have applied for such whole number of New Shares which is covered in full by your Application Monies, whether that number is less than or equal to your Entitlement.

When paying by BPAY please make sure you use the specific Biller Code and your unique customer reference number (CRN) which can be found on your Entitlement and Acceptance Form. If the amount paid is more than the total Application Monies for your Entitlement (and any application under the Shortfall Facility), the excess will be remitted to you (without interest) as soon as practicable after the Closing Date.

It is your responsibility to ensure that your BPAY payment is received by the Share Registry by no later than 5.00pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

Payment by cheque and money order will not be accepted.

## **2.6 Eligible Shareholders in New Zealand**

Eligible Shareholders in New Zealand who do not have access to BPAY should refer to the Electronic Funds Transfer (EFT) details outlined on their Personalised Entitlement and Application forms. Completed forms should be returned to the share registry via email at [CapitalMarkets@linkmarketservices.com.au](mailto:CapitalMarkets@linkmarketservices.com.au).

## **2.7 Eligible Shareholder declarations**

A payment made through BPAY or any other means constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Booklet and, once lodged or paid, cannot be withdrawn. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete an Application, is final.

By making a payment by BPAY or any other means, you will be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that you are an Eligible Shareholder and:

- (a) you have read and understand this Offer Booklet and your Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms and conditions of the Entitlement Offer, the provisions of this Offer Booklet, the Entitlement and Acceptance Form and the Company's constitution;
- (c) you authorise the Company to register you as the holder(s) of New Shares allotted to you;
- (d) all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (e) you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the Entitlement and Acceptance Form;
- (f) once the Company receives your payment of Application Monies, you may not withdraw your Application or funds provided except as allowed by law;

- (g) you agree to apply for and be issued up to the number of New Shares for which you have submitted payment of any Application Monies, at the Offer Price per New Share;
- (h) you authorise the Company, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Entitlement and Acceptance Form;
- (i) you declare that you are the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you;
- (j) the information contained in this Offer Booklet and your Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (k) this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (l) you acknowledge the statement of risks in the "Risk factors" section of the Investor Presentation (refer to Annexure A), and that investments in the Company are subject to risks, not all of which are disclosed in this Offer Booklet;
- (m) you acknowledge that none of the Company or its related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (n) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (o) you authorise the Company to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- (p) for the benefit of the Company, you are not an Ineligible Shareholder and you are eligible to participate in the Entitlement Offer;
- (q) the law of any place does not prohibit you from being given this Offer Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer;
- (r) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- (s) you acknowledge that the New Shares have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold, directly or indirectly, in the United States absent registration except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws;

- (t) you have not and will not send any materials relating to the Entitlement Offer to any person (including nominees or custodians) where to do so would breach applicable laws; and
- (u) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in transactions where neither you nor any person acting on your behalf knows, or has reason to know, that the sale is illegal.

## **2.8 Nominees, Trustees and Custodians**

Shareholders resident in Australia and New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement does not breach regulations in the relevant overseas jurisdiction. These shareholders should seek independent advice as to how they should proceed.

Making payment for New Shares will be taken by the Company to constitute a representation that there has been no breach of those regulations.

### **3 Purpose and effect of the Entitlement Offer**

---

#### **3.1 Purpose and effect**

The Entitlement Offer will raise gross proceeds of up to \$2.0 million before costs.

The Placement will raise gross proceeds of \$1.5 million before costs (assuming the Director Placement is approved).

The funds raised under the Placement and the Entitlement Offer will be used for the purposes set out in section 1.2 of the Offer Booklet.

#### **3.2 Capital Structure following completion of the Entitlement Offer**

Assuming all Entitlements are taken up, the Entitlement Offer will comprise the issue of 24.9 million New Shares (subject to rounding) to raise approximately \$2.0 million.

Accordingly, assuming 100% of the New Shares offered under the Entitlement Offer are subscribed for and the Director Placement is approved by Shareholders, the capital structure of the Company on completion of the Capital Raising will comprise:

- (a) on an undiluted basis:
  - (i) 149.5 million Shares; and
  - (ii) 15.7 million options to acquire Shares; and
- (b) on a fully diluted basis (assuming exercise of all of the options on issue), the Company will have 165.2 million Shares on issue.

In the event that the Entitlement Offer is 50% subscribed and the Director Placement is approved by Shareholders, the capital structure of the Company on completion of the Capital Raising will comprise:

- (c) on an undiluted basis:
  - (i) 137.1 million Shares; and
  - (ii) 15.7 million options to acquire Shares; and
- (d) on a fully diluted basis (assuming exercise of all of the options on issue), the Company will have 152.8 million Shares on issue.

#### **3.3 Potential effect of the Entitlement Offer on control of the Company**

The effect of the Entitlement Offer on control of the Company will depend on a number of factors including:

- the offer ratio of New Shares offered under the Entitlement Offer;
- the level of Eligible Shareholder participation;
- which Eligible Shareholders participate;
- the level of participation in the Shortfall Facility; and
- the ability for the Company to place any Shortfall with professional and sophisticated investors identified by the Company.

The issue of New Shares under the Entitlement Offer is not expected to have a material effect or consequence on the control of the Company given:

- the Entitlement Offer is structured as a pro-rata issue;
- the Entitlement Offer is only partially underwritten (up to a maximum of 1,250,000 New Shares);
- the Entitlement Offer ratio is 4 New Shares for every 17 existing Shares;
- the Entitlement Offer will be undertaken in conjunction with the Placement which will involve the issue of 18,750,000 New Shares (assuming the Director Placement is approved by Shareholders); and
- the current level of holdings of substantial holders (based on substantial holding notices that have been given to the Company and lodged with ASX on or before the date of this notice).

### **3.4 Effect on shareholdings of Shareholders**

The Entitlement Offer will have the effect of diluting the percentage shareholdings of Shareholders who do not participate in the Entitlement Offer (including under the Shortfall Facility). In particular:

- (a) Shareholders who do not take up their full pro rata Entitlement under the Entitlement Offer will have their percentage shareholding in the Company diluted following the issue of New Shares under the Entitlement Offer;
- (b) Shareholders who take up their full pro rata entitlement under the Entitlement Offer will maintain their percentage shareholding;
- (c) Shareholders who take up their full pro rata entitlement under the Entitlement Offer and receive New Shares under the Shortfall Facility, will increase their percentage shareholding in the Company to the extent they receive additional New Shares under the Shortfall Facility; and
- (d) the proportional shareholdings of Ineligible Shareholders will be diluted as those Shareholders are not entitled to participate in the Entitlement Offer.

Shareholders will also have their shareholdings diluted as a result of the Placement.

## **4 Important information**

---

### **4.1 Information and Representations**

This Offer Booklet (and the Entitlement and Acceptance Form) has been prepared by the Company.

There may be additional announcements made by the Company after the date of this Offer Booklet and throughout the period that the Entitlement Offer is open that may be relevant to your consideration of whether to take up, sell or transfer or do nothing in respect of, your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by the Company (by visiting the ASX website at [www.asx.com.au](http://www.asx.com.au), or the Company's website at [bodscience.com](http://bodscience.com)) before submitting your Application, or selling or transferring your Entitlement.

No party other than the Company has authorised or caused the issue of this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Offer Booklet.

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer not contained in this Offer Booklet.

Any information or representation not contained in this Offer Booklet may not be relied on as having been authorised by the Company in connection with the Entitlement Offer.

### **4.2 Not a prospectus**

Neither this Offer Booklet nor the Entitlement and Acceptance Form is a prospectus for the purposes of the Corporations Act and has not been lodged with ASIC. These documents do not contain the type of information which would be required to be included in a prospectus.

Accordingly, the level of disclosure contained in this Offer Booklet is significantly less than required under a prospectus and Eligible Shareholders should consider all relevant facts and circumstances, including their knowledge of the Company and all disclosures made to the ASX and should consult their professional advisors before deciding to accept the Entitlement Offer.

### **4.3 Trading New Shares**

It is expected that trading on the ASX of New Shares to be issued under the Entitlement Offer will commence at 10.00am (Sydney time) on 3 October 2022 on a normal settlement basis (unless the Closing Date is extended by the Company).

### **4.4 Foreign Jurisdictions – restrictions and limitations**

This Offer Booklet has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country outside Australia.

#### ***New Zealand Shareholders***

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with a registered address in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand) or the Financial

Markets Conduct Act 2013 (New Zealand). This document is not an investment statement or prospectus or product disclosure statement under New Zealand law and is not required to and may not, contain all the information that an information statement or prospectus or product disclosure statement under New Zealand law is required to contain.

### ***United States Shareholders***

This Entitlement Offer does not constitute an offer in the United States of America, nor does it constitute an offer to a person who is a U.S. Person or someone who is acting on behalf of a U.S. Person.

The New Shares have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold in the United States of America, or to, or for the account or benefit of, U.S. Persons (as defined in Rule 902 under the U.S. Securities Act) except under an available exemption from registration under the U.S. Securities Act. These Shares may only be resold or transferred if registered under the U.S. Securities Act or pursuant to an exemption from registration under the U.S. Securities Act and in compliance with state securities laws. The Company is under no obligation and has no intention to register the New Shares in the United States of America.

## **4.5 Ineligible Shareholders**

Shareholders who are not Eligible Shareholders are Ineligible Shareholders. The Company reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

The Company has determined, in reliance of Listing Rule 7.7.1, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders, having regard to:

- (a) the small number of Ineligible Shareholders as a proportion of the total Shareholders;
- (b) the small number and value of the New Shares which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- (c) the cost of complying with the legal and regulatory requirements in the overseas jurisdictions.

Accordingly, the Entitlement Offer is not being extended to any Shareholders outside Australia and New Zealand unless those Shareholders would be eligible under all applicable securities laws to receive an offer of, and be issued, New Shares under the Entitlement Offer without lodgement, filing or registration of the Entitlement Offer or any document issued in connection with the Entitlement Offer with any regulatory authority.

Where this Offer Booklet has been made available to an Ineligible Shareholder and where that jurisdiction's law, code or legislation prohibits or restricts in any way the making of the Entitlement Offer, this Offer Booklet is provided for information purposes only.

## **4.6 Risks**

The Investor Presentation (Annexure A) details important factors and risks that could affect the financial and operating performance of the Company. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

#### **4.7 No cooling off rights**

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

#### **4.8 Rounding of Entitlements**

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

#### **4.9 No guarantees of future performance**

The Company does not warrant or guarantee the future performance of the Company or any return on any investment made under this Entitlement Offer.

#### **4.10 No investment advice**

This Entitlement Offer is being made pursuant to the provisions of the Corporations Act which allow pro rata entitlement offers to be made without a prospectus. This Offer Booklet does not constitute financial product advice and has been prepared without taking into account Eligible Shareholders' investment objectives, financial circumstances or particular needs. The Offer Booklet does not purport to contain all the information that Eligible Shareholders may require to make an informed investment decision regarding, or about the rights attaching to, the New Shares. Before deciding whether to apply for New Shares, each Eligible Shareholder should consider whether the Company is a suitable investment for them in light of their own investment objectives and financial circumstances and should consider seeking professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether or not to invest.

#### **4.11 Taxation**

There may be tax implications associated with participating in the Entitlement Offer and receiving New Shares. The potential tax effects of participating in the Entitlement Offer will vary between investors. The Company considers that it is not appropriate to give advice regarding the tax consequences of subscribing for New Shares under this Offer Booklet or the subsequent disposal of any New Shares. Consequently, the Company strongly advises that all investors should satisfy themselves of any possible tax consequences by consulting their own professional tax adviser before deciding whether or not to participate in the Entitlement Offer.

#### **4.12 Governing Law**

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms or payment via BPAY are governed by the laws applicable in New South Wales, Australia. Each Applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

#### **4.13 Privacy**

If you submit an Application, you will be providing personal information to the Company (directly or through the Share Registry). The Company collects, holds and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

Shareholders can access, correct and update the personal information that is held about them, by contacting the Share Registry.

Collection, maintenance and disclosure of certain personal information is governed by legislation, including the *Privacy Act 1988* (Cth) and the Corporations Act. You should note that if all information required on the Entitlement and Acceptance Form is not provided, the Company may not be able to accept or process your Application.

## 5 Glossary

| Term                                   | Meaning                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>\$</b>                              | Australian dollars.                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Additional New Shares</b>           | As defined in section 1.10.                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Applicant</b>                       | A person who has applied to subscribe for New Shares under the Entitlement Offer.                                                                                                                                                                                                                                                                                                                                                              |
| <b>Application</b>                     | An application for New Shares made by an Eligible Shareholder.                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Application Monies</b>              | The aggregate money payable for New Shares applied for by an Applicant.                                                                                                                                                                                                                                                                                                                                                                        |
| <b>ASIC</b>                            | Australian Securities and Investments Commission.                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>ASX</b>                             | ASX Limited (ABN 98 008 624 691) or the financial market operated by it.                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Board</b>                           | The board of Directors of the Company.                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Capital Raising</b>                 | The Placement and the Entitlement Offer.                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Company or Bod</b>                  | Bod Australia Limited ACN 601 225 441.                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Corporations Act</b>                | <i>Corporations Act 2001</i> (Cth).                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Closing Date</b>                    | The Closing Date referred to in the 'Key details' section of this Offer Booklet.                                                                                                                                                                                                                                                                                                                                                               |
| <b>Director</b>                        | A director of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Director Placement</b>              | As defined in section 1.6.                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Eligible Shareholder</b>            | A Shareholder at the Record Date who is not an Ineligible Shareholder.                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Entitlement</b>                     | The number of New Shares that an Eligible Shareholder is entitled to apply for under the Offer (on the basis of 4 New Shares for every 17 Shares held on the Record Date).                                                                                                                                                                                                                                                                     |
| <b>Entitlement and Acceptance Form</b> | The personalised Entitlement and Acceptance Form which can be obtained online via <a href="https://events.miracle.com/BOD-NRE">https://events.miracle.com/BOD-NRE</a> and which accompanies this Offer Booklet.                                                                                                                                                                                                                                |
| <b>Entitlement Offer</b>               | The 4 for 17 pro-rata non-renounceable rights issue of New Shares at the Offer Price.                                                                                                                                                                                                                                                                                                                                                          |
| <b>Ineligible Shareholder</b>          | A Shareholder at the Record Date who: <ul style="list-style-type: none"> <li>(a) has a registered address which is not in Australia or New Zealand (or as otherwise determined by the Company);</li> <li>(b) is in the United States or is a U.S. Person or acting for the account or benefit of a U.S. Person; or</li> <li>(c) is ineligible under any applicable securities laws to receive an offer under the Entitlement Offer.</li> </ul> |
| <b>Investor Presentation</b>           | The investor presentation issued by the Company dated 1 September 2022, which is available at <a href="http://www.asx.com.au">www.asx.com.au</a> and is attached to the Offer Booklet as Annexure A.                                                                                                                                                                                                                                           |
| <b>Issue Date</b>                      | The Issue Date referred to in the 'Key dates and Offer details' section of this Offer Booklet.                                                                                                                                                                                                                                                                                                                                                 |

| <b>Term</b>                          | <b>Meaning</b>                                                                                                                                 |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Listing Rules</b>                 | The official listing rules of the ASX, as amended from time to time.                                                                           |
| <b>New Share</b>                     | A new share to be issued under the Entitlement Offer.                                                                                          |
| <b>Offer Booklet</b>                 | This entitlement offer information booklet in relation to the Entitlement Offer.                                                               |
| <b>Offer Price</b>                   | \$0.08.                                                                                                                                        |
| <b>Opening Date</b>                  | The Offer Opening Date referred to in the 'Key details' section of this Offer Booklet.                                                         |
| <b>Placement</b>                     | The placement of 18.75 million Shares by the Company to raise approximately \$1.5 million (which includes the conditional Director Placement). |
| <b>Record Date</b>                   | 7.00pm (Sydney time) on 6 September 2022.                                                                                                      |
| <b>Share</b>                         | A fully paid ordinary share in the capital of the Company.                                                                                     |
| <b>Shareholder</b>                   | A holder of a Share.                                                                                                                           |
| <b>Share Registry</b>                | Link Market Services Limited.                                                                                                                  |
| <b>Shortfall or Shortfall Shares</b> | Those New Shares offered under the Entitlement Offer which are not subscribed for by Eligible Shareholders.                                    |
| <b>Shortfall Facility</b>            | As described at section 1.10.                                                                                                                  |
| <b>U.S. Person</b>                   | As defined in Regulation S under the U.S. Securities Act.                                                                                      |
| <b>U.S. Securities Act</b>           | U.S. Securities Act of 1933 (as amended).                                                                                                      |

## Corporate Directory

---

### **Bod Australia Limited (ASX:BOD)**

#### **Directors and Officers**

Joanne Patterson  
David Baker  
Akash Bedi  
Johannes Cappon  
George Livery

#### **Chief Financial Officer**

Adrian Sturrock

#### **Company Secretary**

Stephen Kelly

#### **Registered Office**

C/- Franks & Associates  
Suite 2, Level 10, 70 Phillip Street  
Sydney NSW 2000  
Telephone: +61 2 9199 5018  
bodscience.com

#### **Share Registry**

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000  
linkmarketservices.com.au

Telephone: 1 800 881 526

## **Annexure A – Investor Presentation**

---



# INVESTOR PRESENTATION SEPTEMBER 2022 ACQUISITION AND CAPITAL RAISE

BOD AUSTRALIA LIMITED (ASX: BOD)

## IMPORTANT NOTICE AND DISCLAIMER

2

This presentation has been approved for release by the Managing Director of Bod Australia Limited.

This investor presentation (**Presentation**) has been prepared by Bod Australia Limited ACN 601 225 441 (**Bod** or the **Company**) and is dated 1 September 2022. This Presentation has been prepared in relation to a 4 for 17 pro rata non-renounceable entitlement offer (**Entitlement Offer**) of new ordinary fully paid shares in Bod (**New Shares**) and a placement of shares to professional and sophisticated investors (**Placement**). The Entitlement Offer and Placement are referred to as the **Capital Raising** or the **Offer**. The Capital Raising is being made under sections 70BAA and 70BA of the Corporations Act 2001 (Cth) (Corporations Act).

### Summary information

This Presentation contains summary information about Bod and its activities as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete or comprise all information which a shareholder or potential investor may require in order to determine whether to deal in Bod shares or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Bod's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at [www.asx.com.au](http://www.asx.com.au).

### Not an offer

This Presentation is not a prospectus, product disclosure statement or other offering document under Australian law, or any other law. This Presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction. In particular, this Presentation has been prepared for release in Australia and is not for distribution or release in the United States.

A shareholder offer booklet for the Entitlement Offer (**Shareholder Offer Booklet**) will be available following its lodgment with ASX. Any eligible shareholder who wishes to participate in the Entitlement Offer should consider the Shareholder Offer Booklet in deciding whether to apply under the Entitlement Offer. Anyone who wishes to apply for New Shares under the Entitlement Offer will need to apply in accordance with the instructions contained in the Shareholder Offer Booklet.

### Restrictions

Any securities offered in connection with this Presentation have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**US Securities Act**) and may not be offered or sold in the United States. This Presentation may not be distributed in the United States, or any other jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. The distribution of this Presentation outside Australia may be restricted by law, and persons into whose possession this Presentation comes should observe any such restrictions. Any failure to comply with such restrictions may violate applicable securities laws.

### Not financial product advice

This Presentation is for information purposes and does not constitute financial product, investment, legal, taxation or other advice or a recommendation to acquire Bod shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the available information, having regard to their own objectives, financial situation and needs and seek financial, legal and taxation advice appropriate to their jurisdiction. The Company is not licensed to provide financial advice in respect of its shares. Cooling off rights do not apply to the acquisition of Bod shares.

### Past performance and investment risk

Past performance information, including past share price performance, should not be relied upon as an indication of future performance. An investment in Bod shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company.

Bod does not guarantee any particular rate of return or the performance of its shares.

### Future performance

This Presentation contains certain references to forecasts, estimates, assumptions and other forward-looking statements and statements regarding the intent, belief or current expectations of Bod. The words "likely", "expect", "aim", "should", "could", "may", "anticipate", "predict", "believe", "plan" and other similar expressions are intended to identify forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This Presentation contains such statements, which are subject to risk factors associated with an investment in Bod. The Company believes that these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially. Forward-looking statements involve known and unknown risks, uncertainties and assumptions and other important factors that could cause actual results, performance or achievements of Bod to be materially different from future results, performances or achievements expressed or implied by such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Presentation.

### No representation

No representation or warranty, express or implied, is made as to the fairness or correctness of the information, opinions and conclusions contained in this Presentation. To the maximum extent permitted by law, none of the Company and its related bodies corporate, or their respective directors, employees, agents or advisers, nor any other person, accepts liability for any loss arising from the use of this Presentation or its contents or otherwise arising in connection with it, including without limitation, any liability from fault or negligence on the part of the Company, its related bodies corporate or any of their respective directors, employees, agents or advisers.

### Financial data

All references to dollars (\$) and cents are to Australian currency, unless otherwise stated.

### Market and industry data

This Presentation contains data relating to the industries, segments and markets in which the Company operates (**Industry Data**). Unless otherwise stated, this information has been prepared by Bod using both publicly available data and its own internally generated data. Bod's internally generated data is based on estimates and assumptions that the directors and management of the Company believe are reasonable. In addition to the Industry Data, the Presentation contains third party market data, estimates and projections. There is no assurance regarding the accuracy of such information and the third party information, and the Industry Data, has not been independently verified by Bod.

### Disclaimer

To the maximum extent permitted by law, Bod, Taylor Collison Limited (**Lead Manager**) and their respective affiliates, related bodies corporate, directors, officers, employees and agents: (1) make no representation or warranty, as to the currency, accuracy, reliability or completeness of the information in this Presentation; and (2) disclaim all liability incurred by you as a result of your participation in, or failure to participate in the Offer and the information in the Presentation being inaccurate or incomplete in any way.

The Lead Manager and its affiliates, related bodies corporate, directors, partners officers, employees and agents: (1) have not authorised or caused the issue of this Presentation; (2) have not verified any statement in this Presentation and makes no statement in this Presentation; (3) make no recommendation as to whether you should participate in the Offer; and (4) expressly disclaim any fiduciary relationship with Bod or any other person.

## CORPORATE SNAPSHOT

3

### CAPITAL STRUCTURE

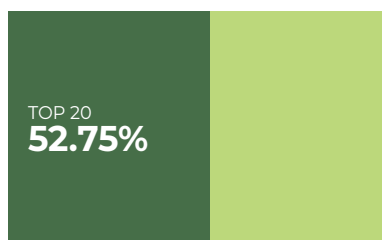
|                  |                                  |
|------------------|----------------------------------|
| SHARES ON ISSUE  | 105.9M                           |
| MARKET CAP       | \$10.3M<br>AT \$0.097 PER SHARE* |
| CASH             | ~\$3.66M<br>AS AT 30 JUNE 2022   |
| DEBT             | NIL                              |
| 52 WEEK HIGH/LOW | \$0.37 / \$0.066                 |

\* CLOSING SHARE PRICE ON 29 AUGUST 2022

### KEY POINTS

- Shareholder base includes board and management
- Capital light structure with an ongoing focus on R&D and commercialisation

### SUBSTANTIAL SHAREHOLDERS



NEW H2 LIMITED: 14.03%  
SG HISCOCK: 9.63%  
MS JO PATTERSON: 6.19%  
AWJ FAMILY PTY LTD: 5.35%  
MR CRAIG WELLER: 5.43%  
GP SECURITIES PTY LTD: 2.15%

AS AT 18 AUGUST 2022

### BOARD AND MANAGEMENT



**DAVID BAKER**  
Non-Executive Chairman



**JO PATTERSON**  
Chief Executive Officer



**GEORGE LIVERY**  
Non-Executive Director



**HANNO CAPPON**  
Non-Executive Director



**AKASH BEDI**  
Non-Executive Director

ASX:BOD, SEPTEMBER 2022



## TWO COMMERCIAL OPERATING DIVISIONS UNDERPINNED BY A FOCUSED CLINICAL TRIAL AND R&D PIPELINE

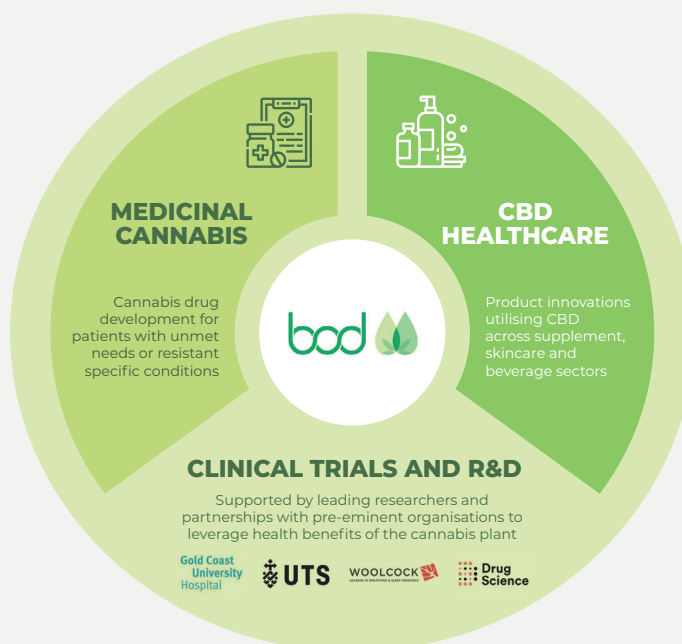
4

Bod is a leading cannabis and Cannabidiol (CBD) focused drug development and product innovation company, backed by clinical research.

Focused on using safe, standardised, consistent and Good Manufacturing Practice (GMP) cannabis extracts to service the medical and consumer sectors in Australia and internationally.

An extensive product portfolio and strong track record of partnerships with leaders in R&D, which has led to commercialisation opportunities with major partners.

All products use Bod's high-quality Active Pharmaceutical Ingredients (API), which have been tested in rigorous clinical trial settings.



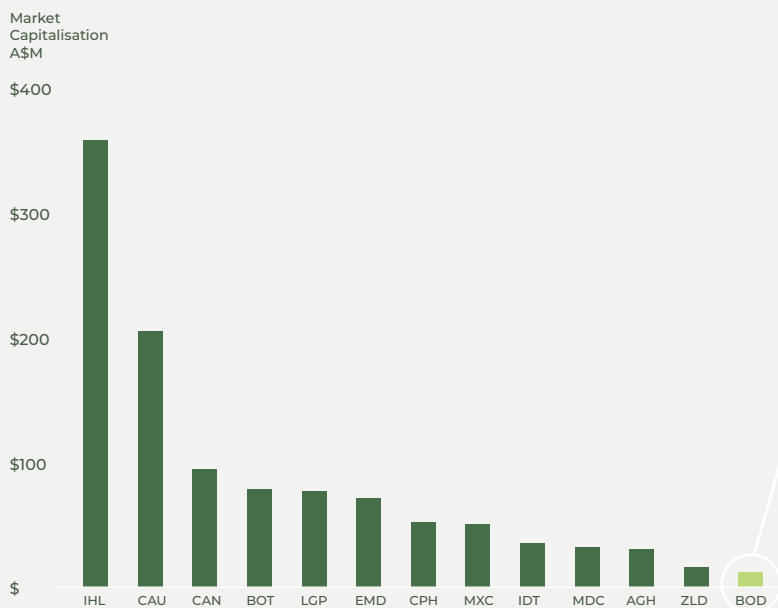
ASX:BOD, SEPTEMBER 2022



## VALUATION RELATIVE TO PEERS

5

### ASX-listed cannabis companies



As of 29 August 2022  
ASX:BOD, SEPTEMBER 2022

### BOD has the smallest market capitalisation of its listed peers despite:

#### Portfolio of products in advanced trials

- 11 programs, 3 in Phase I & II trials and 8 in pre-clinical
- Combined multi-billion dollar addressable market

#### Attractive registration pathway and timetable

- Schedule 3 dossier submission near term
- Bod anticipates being one of the first to achieve ARTG OTC registration
- Accelerated FDA pathway through Aqua Phase
- A first mover advantage creates value

#### Acquisition of Aqua Phase has significant potential

- Significantly enhanced bioavailability
- CBD in water soluble form provides a tasteless, colourless and odourless product
- Unlocks new product and revenue streams

#### Existing sales, supported by:

- Global distribution
- Licence deals
- Further partnering deals in negotiation



## DEVELOPING UNIQUE TREATMENTS FOR LARGE ADDRESSABLE MARKETS

6

Bod is focused on utilising novel and new cannabis formulations to develop a suite of products targeting a number of global unmet need states including insomnia, anxiety and anti-ageing where approved medicines have not been able to provide patients with relief or where patients are looking for non-pharmacological solutions.

### INSOMNIA

The global insomnia market was valued at US\$4.82 billion in 2020, and is estimated to reach US\$6.43 billion by 2027.<sup>1</sup>

### ANXIETY

The anxiety disorder and depression treatment market is expected to reach US\$18.3 billion by 2025.<sup>2</sup>



The acquisition of Aqua Phase is expected to open up new markets for Bod.

### ANTI-AGEING

The CBD skincare market is forecast to grow at a CAGR of 32.9% resulting in a total market of US\$1.7 billion by 2025.<sup>3</sup>

### GENERAL HEALTH & WELLNESS

A rise in both consumer interest and new products coming to market will see the sector grow 5 to 10% annually and reach US\$1.5 trillion by 2030.<sup>4</sup>

Sources for the data: 1. *Insomnia* 2. *Anxiety* 3. *Anti-Ageing* 4. *General health & wellness*  
ASX:BOD, SEPTEMBER 2022



# MEDICINAL CANNABIS

ASX:BOD, SEPTEMBER 2022



## A FOCUSED CLINICAL TRIAL PIPELINE UNDERPINS COMMERCIAL OPPORTUNITIES

The company's R&D and clinical trial pipeline is focused on key unmet need states.

- Bod is supported by leading researchers and a medical advisory board with expertise in genetics, extraction and drug development. *See Appendix 1.*
- Bod is building a portfolio of innovative products that can be utilised in multiple growth categories and across a number of therapeutic conditions.
- Bod has a strong track record of commercialisation and has a global footprint.
- Phase II clinical trial underway - if successful, will allow Bod to commercialise a unique CBD product for the Schedule 3 (Pharmacy only) market in Australia. Optionality to use this product in other major markets.
- Collaborative work with H&H Group continuing with Bod developing and commercialising additional CBD wellness products.

ASX:BOD, SEPTEMBER 2022



WOOLCOCK  
Financial Markets

Drug  
Science

Gold Coast  
University  
Hospital

UTS

H&H Group



## SEEKING TO CREATE CONSIDERABLE VALUE THROUGH AN ACTIVE CLINICAL TRIAL PIPELINE

9

| CLINICAL TRIAL               | EXTRACT                 | BACKGROUND                                                                                                                | CURRENT STATUS                  | COMMENT                                                                                                                                               |
|------------------------------|-------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Phase I PK Study             | Bod ECS315              | Pharmacokinetics, safety and tolerability of CBD extract                                                                  | INITIATED IN PROGRESS COMPLETED | Differentiated by our R&D. This work optimised the design of our schedule 3 clinical trial                                                            |
| Toxicology                   | Bod ECS315              | Safety evaluation of ECS315 for Novel Food registration                                                                   | INITIATED IN PROGRESS COMPLETED | We are 1 of only 6 companies globally to have secured a validated Novel Food Application. This is mandatory for CBD to be sold in the UK and EU       |
| BODOLOS Observational Study  | Bod ECS315 & Bod ECS100 | Real world evidence on doctors' CBD prescribing habits                                                                    | INITIATED IN PROGRESS COMPLETED | Provided important insight into dosing decisions and design of our schedule 3 clinical trial                                                          |
| CBG Pilot Study              | Bod ECS317              | Evaluation of the efficacy of a novel CBG compound                                                                        | INITIATED IN PROGRESS COMPLETED | Investigate the effect of CBG on symptoms associated with fibromyalgia, inflammatory bowel disease and anxiety                                        |
| Project Change               | BodECS317 & Bod ECS100  | Evaluating the combination of different cannabinoids and probiotics targeting stress, anxiety and inflammation in animals | INITIATED IN PROGRESS           | Data aims to support further product launches using combination of CBG and CBD                                                                        |
| Phase I PK Study             | Bod BioAbsorb           | Pharmacokinetics, safety and tolerability of novel CBD compound                                                           | INITIATED IN PROGRESS           | Data aims to support FDA registration and other commercial opportunities                                                                              |
| Phase II Insomnia study      | Bod BioAbsorb           | Using novel CBD to treat insomnia                                                                                         | INITIATED IN PROGRESS           | Clinical trial aims to allow Bod to secure a registration from TGA. This will allow the product to be sold in Australian Pharmacies over the counter. |
| Long Covid Study             | Bod ECS315              | Evaluating the efficacy of CBD for symptoms associated with Long Covid                                                    | INITIATED IN PROGRESS           | This study provide a unique opportunity to alleviate multiple symptoms of long covid using one medicine                                               |
| Emerald Study Phase II study | Bod ECS315              | The use of CBD in slowing progression of Motor Neuron Disease                                                             | INITIATED IN PROGRESS           | Collaboration with Gold Coast University Hospital                                                                                                     |
| Phase I CBN Insomnia Study   | Bod ES310               | Using CBN in treating primary insomnia                                                                                    | INITIATED IN PROGRESS           | Collaboration with Sydney University & The Woolcock Institute                                                                                         |
| Project Skin                 | Novel Protein           | Evaluating the efficacy of a novel protein for inhibiting free radical damage on skin                                     | INITIATED IN PROGRESS           | At completion, Bod will own unique and novel delivery format of an anti-aging agent for topical use                                                   |

ASX:BOD, SEPTEMBER 2022



## REAL WORLD DATA GATHERED FROM OUR PATIENTS HIGHLIGHTS IMPROVED LIVES AGAINST TREATMENT RESISTANT CONDITIONS<sup>1</sup>

10

# 20,000

Over 20,000 prescriptions for Bod products have been dispensed over the last 20 months ending July 2022.

**58%**

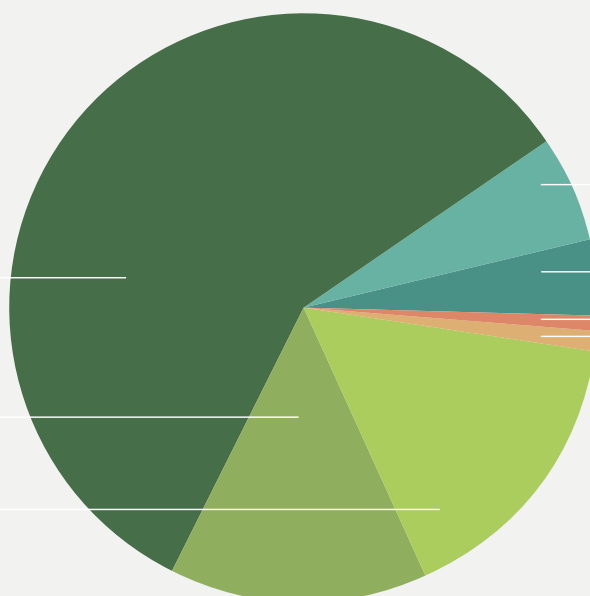
Chronic pain, Neuropathic pain, Fibromyalgia

**16%**

Anxiety, PTSD, Insomnia

**14%**

Seizure management, Epilepsy



During FY2021  
**~65%**  
of Australian patients  
were repeat users –  
highlighting doctor and  
patient satisfaction.

**6%**

Autism, ADHD, Dementia, Alzheimer's disease

**4%**

Multiple Sclerosis (MS), Tremor, Parkinson's Disease

**1%**

Palliative care, including cancer pain and symptom management

**1%**

Inflammatory Bowel Disease (IBD) and Irritable Bowel Syndrome (IBS)

<sup>1</sup> Data based on Company information.

ASX:BOD, SEPTEMBER 2022



## CONSUMER HEALTHCARE – A STRATEGY TO DRIVE GROWTH THROUGH CBD PRODUCTS

11



ASX:BOD, SEPTEMBER 2022

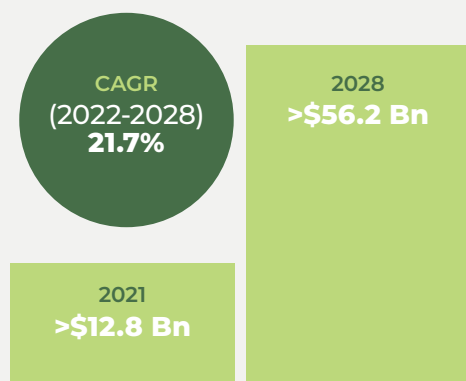


## CBD WELLNESS MARKET IS A LARGE AND GROWING MARKET OPPORTUNITY<sup>1</sup>

12

### CANNABIDIOL (CBD) MARKET

Large scale awareness of the health benefits of CBD and its effectiveness in various treatments has created a stable market and is propelling industry growth.



GLOBAL CBD MARKET

#### HEMP SEGMENT

CAGR (2022-2028):

**22%**

#### OIL SEGMENT

MARKET VALUE (2021):

**>\$3.1 Bn**

#### ONLINE SEGMENT

MARKET VALUE ESTIMATE (2028):

**\$27.7 Bn**

#### EUROPE

MARKET VALUE ESTIMATE (2028):

**\$15.4 Bn**



#### NORTH AMERICA

MARKET VALUE ESTIMATE (2028):

**\$40.8 Bn**

<sup>1</sup> All data sourced from [Global Market Insights](#)

ASX:BOD, SEPTEMBER 2022





# AQUA PHASE ACQUISITION

## PROPOSED ACQUISITION OF AQUA PHASE INVENTION TO ACCELERATE GROWTH

Bod to acquire an invention known as 'Aqua Phase' and related assets ("Aqua Phase"), from two scientists located in the United Kingdom.

Aqua Phase is a product and process technology which, subject to the outcome of upcoming testing, increases bioavailability of cannabis compounds.

If the invention successfully completes the requisite testing and is then commercialised, Bod will pay total consideration of £3m (~A\$5.2m).

| Key Terms                                                                                                                                                                                                                                                                                                                                                                                                                                       | Unique Characteristics                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                      |                                                                                                                                                                       | Exciting Opportunities                                                                                                                                                  |                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Initial payment of £1,000,000 in cash to be paid upon satisfaction of conditions precedent relating to successful completion of upcoming manufacture, stability and bioavailability testing.</p> <p>Remaining consideration paid against further milestone achievements relating to pharmaceutical GMP manufacture and commencement of commercial sales, with optionality for Bod to pay in cash or shares over a 12-36 month timeframe.</p> | <p>Aqua Phase is a product and process technology that can make complex lipophilic (non-soluble) chemicals from cannabis compounds making them water soluble.</p> <p>Offers a CBD API that is soluble, tasteless, colourless and odourless.</p> | <p>The technology has the potential to deliver an Active Pharmaceutical Ingredient (API) to be used in products allowing more rapid onset, better efficacy and lower dosage rates resulting in raw material cost savings and fewer side effects.</p> | <p>Aqua Phase has the potential to increase the bioavailability of Bod's cannabis products by 30% or more providing Bod with a significant competitive advantage.</p> | <p>Bod has immediate plans to progress commercialisation and has identified multiple avenues for product development through its two existing commercial divisions.</p> | <p>The acquisition of Aqua Phase is expected to expand Bod's value proposition, lead to new and novel delivery formats, higher margin and revenue accretive opportunities and consolidate the company's position as a leading, science driven product innovator and drug development company.</p> |

## AQUA PHASE SOLVES THE BIOAVAILABILITY PROBLEM

17

### Current problems with CBD products

CBD and cannabinoids intrinsically have poor biological absorption – oral CBD compounds in oil are estimated to only have 6-8% bioavailability.

Increasing bioavailability (the active biological effect) can lead to faster onset, better efficacy, lower dosing and fewer side effects.

### Aqua Phase provides the potential solution

Aqua Phase uses a common compound that is combined with CBD and/or other cannabis compounds under specific mechanical and heating processes to deliver a stable, highly bioavailable compound.

The finished product (API) is expected to be presented in multiple formats including bulk powders, capsules, tablets, fast dissolves and concentrates; with application in the fast growing supplement and pharmaceutical sectors.

Offers a CBD API that is soluble, tasteless, colourless and odourless

### How it works

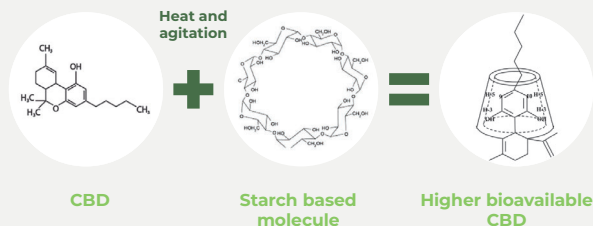
Aqua Phase works by making lipophilic (water hating) compounds such as cannabinoids water soluble

Invention uniqueness is among other things, the IP surrounding the combination process – the chemistry is clear, but the process is not:

- The exact proportions of active (CBD) and substrate (starch based molecule) are defined
- Specific temperatures and the agitation process are set

Invention offers an API that is flavourless, colourless and stable

Technology has been proven at laboratory scale and now addressing full GMP methodology



ASX:BOD, SEPTEMBER 2022



## AQUA PHASE IS A STRATEGIC FIT FOR BOD AND UNLOCKS CONSIDERABLE POTENTIAL UPSIDE

18

Through the proposed acquisition, Bod can substantially expand its value proposition as a science driven drug development company and product innovator offering novel delivery formats.

Potential to implement across both business divisions (medical and consumer healthcare) to **create a suite of new products and delivery formats for sale into new and existing channels**

**Technology is expected to lead to margin accretion** within the existing product portfolio including the existing Schedule 3 product dossier

Aqua Phase provides Bod with the potential to **unlock additional revenue opportunities** through in-licence and distribution agreements

The key focus of Aqua Phase is for use with cannabis compounds. Bod can use the invention for non-cannabis purposes provided it acts in good faith and cooperates with the sellers to enable them to be compensated for any such non-cannabis uses.

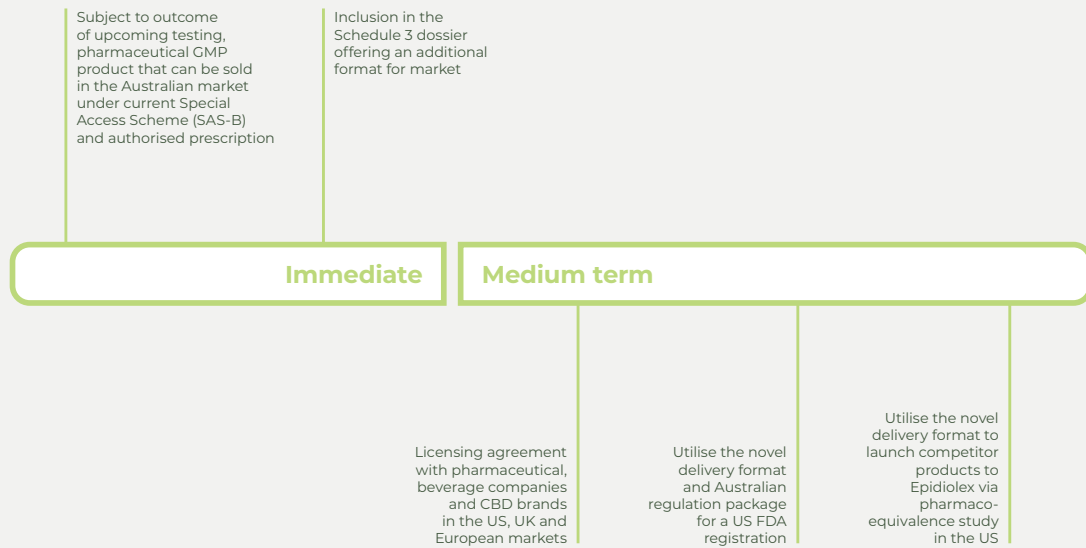
**Through a soluble, tasteless, odourless and colourless API, Bod will have a competitive advantage to unlock new markets including functional beverages and supplements amongst others.**

Commercialisation has the potential to provide Bod with cannabis products boasting better bioavailability than competitors' existing oral formats.

ASX:BOD, SEPTEMBER 2022



## AQUA PHASE HAS IMMEDIATE AND MEDIUM TERM COMMERCIAL OPPORTUNITIES



ASX:BOD, SEPTEMBER 2022



## AQUA PHASE POTENTIALLY UNLOCKS A MAJOR US MARKET OPPORTUNITY

Bod has the potential to progress FDA approval and enter a market dominated by one product

### Existing treatment in the US

#### Incumbent product:

Epidiolex is a CBD medicine owned by Jazz Pharma (NSDQ: JAZZ), acquired via the purchase of GW Pharma in 2021 for US\$7Bn

Epidiolex is the first and only FDA-approved prescription CBD used to treat seizures associated with Lennox-Gastaut syndrome (LGS), Dravet syndrome, or tuberous sclerosis complex (TSC) in patients aged one and older

#### What it is:

A botanical, near pure CBD medicine (no THC) oral solution suspended in oil

Known to have an unpleasant taste leading to discomfort

Greenhouse-grown from non-GMO plants

Current dosage of Epidiolex Oil is up to 18mL (nearly 4 teaspoons) per day

#### Commercial outcomes:

~US\$500m in sales recorded in FY2020

~US\$175m in June 2022 quarter with US\$1.4Bn forecast in 2025



### Bod's opportunity

#### Aqua Phase advantages:

Presents a bioequivalent medicine to Epidiolex

Through improved bioavailability, Aqua Phase would allow the delivery of less botanical active, improve therapeutic outcomes and less adverse events from lower required dosages

Break through technology solves the limitation of CBD's poor absorption via an oral dosage format

#### Proposed roll out:

Commence Pharmacokinetic study in coming months followed by FDA meetings

Submit via new drug application pathway with anticipated timeframe of 12 months

Potential approval provides Bod with the ability to launch by Q1 2024



MediCabilis™



ASX:BOD, SEPTEMBER 2022



## AQUA PHASE ADDS ANOTHER DELIVERY METHOD AND OPPORTUNITY TO BOD'S SCHEDULE 3 CLINICAL TRIAL

Introduction of Aqua Phase process technology



ASX:BOD, SEPTEMBER 2022



## AQUA PHASE ACQUISITION TERMS AND TIMEFRAME

Total consideration is £3m (~A\$5.2m):

### Completion:

£1.0m paid in cash on satisfaction of conditions precedent

### Milestone 1:

£0.5m paid in cash or shares (issue of shares subject to ASX and shareholder approval) (at Bod's election)

### Milestone 2:

£1.5m paid in cash or shares (issue of shares subject to ASX and shareholder approval) (at Bod's election)

### Conditions precedent to completion

Manufacture of an agreed milestone product utilising the Aqua Phase invention for a PK Study to be undertaken by Bod.  
**3 months after execution**

Completion of non-pharmaceutical GMP stability for one month real time and one month accelerated time on the milestone product.  
**3 months after execution**

PK Study proof that the products have a 30% or greater improved bio-availability.  
**6 months after execution**

### Milestone 1

Manufacture to pharmaceutical GMP of the Milestone Product.  
**Within 12-24 months after Completion**

Completion of pharmaceutical GMP stability.  
**Within 12-24 months after Completion**

### Milestone 2

Manufacture of first pharmaceutical GMP batch of milestone product.  
**Within 24-36 months after Completion**

Further information regarding the terms of the acquisition is contained in Appendix 2.

Bod will also retain the services of the two inventors of the technology for an agreed period post completion (refer to Appendix 3 for further details)

ASX:BOD, SEPTEMBER 2022



# CAPITAL RAISING DETAILS

ASX:BOD, SEPTEMBER 2022



## CAPITAL RAISING DETAILS

### Structure and Size

**Targeted Total Proceeds** of the Capital Raising of approximately \$3.5 million (before costs). There is no guarantee that the targeted total proceeds will be raised.

**Placement:** to sophisticated and professional investors to raise \$1.5 million, via the issue of 18.75 million New Shares utilising the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A. New Shares issued under the Placement will not be eligible to participate in the Entitlement Offer. The Placement includes the issue of \$150,000 worth of New Shares at the Offer Price to Directors David Baker and Joanne Patterson (see below).

**Entitlement Offer:** Non-accelerated, non-renounceable Entitlement Offer to raise up to approximately \$2.0 million via the issue of up to approximately 24.9 million New Shares to existing Eligible Shareholders with a registered address in Australia and New Zealand at an entitlement offer ratio of 4 New Shares for every 17 existing shares held on the Record Date.

### Director Placement

Chairman David Baker (or a controlled entity) has committed to subscribe for \$100,000 worth of New Shares under the Placement (being 1,250,000 New Shares).

Managing Director Joanne Patterson (or a controlled entity) has committed to subscribe for \$50,000 worth of New Shares under the Placement (being 625,000 New Shares).

The placement of New Shares to David Baker and Joanne Patterson is subject to shareholder approval for the purposes of ASX Listing Rule 10.11.

### Offer Price

Offer Price of A\$0.08 per New Share, representing:

- 17.8% discount to the last traded price on Monday, 29 August 2022 (A\$0.097)
- 18.3% discount to the 5-day VWAP price (A\$0.098)
- 21.2% discount to the 15-day VWAP price (A\$0.101)

ASX:BOD, SEPTEMBER 2022

### Board participation

The CEO, Joanne Patterson, has committed to subscribe for \$50,000 worth of New Shares in the Placement, subject to shareholder approval.

The Chairman, David Baker (through a controlled entity), has committed to take up \$18.8k worth of New Shares in the Entitlement Offer, representing 100% of his entitlement. In addition, David Baker has committed to subscribe for \$100,000 worth of New Shares in the Placement, subject to shareholder approval, and has committed to underwrite \$100,000 worth of shortfall under the Entitlement Offer.

Non-Executive Director George Livery has committed to take up 100% of the entitlements of himself and his related parties, representing \$6.0k worth of New Shares.

### Ranking

The New Shares to be issued pursuant to the Capital Raising are fully paid ordinary shares in the Company and rank pari passu with existing fully paid ordinary shares from allotment.

### Lead Manager

Taylor Collison Limited is acting as the Sole Lead Manager to the Capital Raising.

### Underwriting of the Entitlement Offer

Chairman David Baker has committed to underwrite \$100,000 worth of shortfall shares under the Entitlement Offer. See Appendix 5 for further details.



# PRO FORMA CAPITAL STRUCTURE AND USE OF FUNDS\*

25

| Pro Forma capital structure                                                 |                | Intended use of funds                                 |                |
|-----------------------------------------------------------------------------|----------------|-------------------------------------------------------|----------------|
| Ordinary shares on issue prior to the Capital Raising                       | 105.5m         | <b>Sources</b>                                        | <b>A\$(M)</b>  |
| Undiluted market capitalisation pre Capital Raising <sup>1</sup>            | \$10.3m        | Placement Proceeds                                    | \$1.5m         |
| Target gross proceeds to be raised from Capital Raising <sup>2</sup>        | \$3.5m         | Targeted Entitlement Offer Proceeds <sup>2</sup>      | \$2.00m        |
| Target New Shares to be issued (Placement + Entitlement Offer) <sup>2</sup> | 43.7m          | <b>Total</b>                                          | <b>\$3.5m</b>  |
| <b>Total target shares on issue post Capital Raising<sup>2</sup></b>        | <b>149.5m</b>  | <b>Uses</b>                                           | <b>A\$(M)</b>  |
| Offer Price                                                                 | 0.08c          | Initial cash consideration for Aqua Phase acquisition | \$1.70m        |
| <b>Implied market capitalisation (at Offer Price)<sup>2</sup></b>           | <b>\$12.0m</b> | R&D and working capital                               | \$1.59m        |
| Pro-forma cash <sup>2, 3</sup>                                              | \$5.25m        | Offer costs <sup>4</sup>                              | \$0.21m        |
| Performance Rights                                                          | 0.49m          | <b>Total</b>                                          | <b>\$3.50m</b> |
| Options                                                                     | 15.7m          |                                                       |                |

\* The Capital Structure and use of funds assumes that the Entitlement Offer is 100% subscribed. There is no guarantee that this will occur. In the event that the Entitlement Offer is 50% subscribed, the impact on key metrics will be as follows:

- Gross proceeds of the Capital Raising will be \$2.5m
- Total shares on issue post-Capital Raising will be 137m
- Implied market capitalisation (at Offer Price) will be \$10.96m
- Proforma cash will be \$4.31m
- A lesser amount will be allocated to R&D and working capital and Offer costs in the intended use of funds.

1. As at last close of 9.7c per share on Monday, 29 August 2022

2. Assumes 100% take up of the Entitlement Offer

3. Includes existing cash of \$3.67m at 30 June 2022 plus assumes \$3.29m capital raise net of fees (excluding legal costs) and \$1.7m initial cash consideration for Aqua Phase Acquisition

4. This assumes the maximum fee is paid to the Lead Manager.

ASX:BOD, SEPTEMBER 2022



# CAPITAL RAISING TIMETABLE

26

| Event                                                                             | Proposed Date                |
|-----------------------------------------------------------------------------------|------------------------------|
| Trading halt                                                                      | Tuesday, 30 August 2022      |
| Capital Raising announced, trading halt lifted                                    | Thursday, 1 September 2022   |
| Settlement of the Placement                                                       | Tuesday, 6 September 2022    |
| Record Date of the Entitlement Offer (7.00pm)                                     | Tuesday, 6 September 2022    |
| Issue of New Shares under the Placement                                           | Wednesday, 7 September 2022  |
| Shareholder Offer Booklet lodged with ASX and despatched to Eligible Shareholders | Friday, 9 September 2022     |
| Entitlement Offer opens                                                           | Friday, 9 September 2022     |
| Entitlement Offer closes                                                          | Friday, 23 September 2022    |
| Announcement of results of Entitlement Offer                                      | Wednesday, 28 September 2022 |
| Settlement of the Entitlement Offer                                               | Thursday, 29 September 2022  |
| Issue of New Shares under Entitlement Offer                                       | Friday, 30 September 2022    |
| Trading of New Shares under the Entitlement Offer                                 | Monday, 3 October 2022       |

The timetable is indicative only and subject to change. Bod reserves the right to alter the dates at its full discretion without prior notice, subject to the ASX Listing Rules and the Corporations Act.

ASX:BOD, SEPTEMBER 2022



# KEY RISKS

## KEY RISKS – ACQUISITION

### Completion risk

Details of the Acquisition Agreement are provided in Appendix 2.

The Acquisition requires BOD to pay to the Sellers a cash amount of GBP£1.0 million and, if certain milestones in the Acquisition Agreement are met, either:

- pay the Sellers a further GBP£0.5 million for Milestone 1 and GBP£1.5 million for Milestone 2;
- issue the Consideration Shares (see below) to the vendors for the equivalent value of Milestone 1 and 2; or
- satisfy the Milestone 1 and 2 amounts with a combination of cash and Consideration Shares as elected by Bod.

The Acquisition will complete when Bod pays the cash consideration of GBP£1.0 million to the Sellers. Bod is required to pay the cash consideration on satisfaction of the conditions precedent in the Acquisition agreement.

In the event that the Capital Raising does not raise proceeds of at least \$2 million, Bod may be unable to fund its payment obligations in connection with the Acquisition. If this occurred, and if Bod was unable to secure any other source of funding, Bod would terminate the Acquisition Agreement for failure of a condition precedent.

### Reliance on the information provided

Bod undertook a technical, certain legal and operational due diligence in respect of the Aqua Phase invention the subject of the Acquisition Agreement (the Invention), which relied in part on the review information provided by the Sellers. Despite taking reasonable efforts, Bod is unable to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, Bod has prepared (and made assumptions in the preparation of) the information relating to the Invention included in this Presentation in reliance on certain information provided by the Sellers. Bod is unable to verify the accuracy or completeness of all of that information.

If any of the data or information provided to and relied upon by Bod in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual value and performance of the Invention, and/or Bod's ability to successfully develop and commercialise the Invention, may be materially different to the value and performance expected by Bod. Despite the best efforts of Bod and its advisers, there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the acquisition of the Invention have been identified. There is a risk that unforeseen issues and risks may arise, which may also have a material impact on Bod.

### Failure of Bod's shareholders to approve the issue of Consideration Shares

In partial satisfaction of the Company's obligation to make payment under the Acquisition Agreement, the Sellers may be issued Shares in Bod in satisfaction of Milestone 1 and / or Milestone 2 (the Consideration Shares). The issue of the Consideration Shares requires the approval of Bod's shareholders for the purposes of ASX Listing Rule 7.1.

Bod intends to seek shareholder approval to consider and, if thought fit, to approve the issue of Consideration Shares to the Sellers.

In the event that Bod's shareholders do not approve the issue of the Consideration Shares, Bod will not be able to exercise its right to issue any Consideration Shares in full or partial satisfaction of Milestone 1 and / or Milestone 2 and therefore would be required to pay to the Sellers a cash amount of GBP£0.5 million for Milestone 1 and GBP£1.5 million for Milestone 2 (if the Milestones were satisfied). If this occurs, Bod may need to raise additional equity or debt capital to fund its obligations, failing which it would be required to return the Invention to the Sellers.

## KEY RISKS – COMPANY

29

### Early stage growth company risks

Bod is in the early stages of commercialising its portfolio of CBD products. Potential investors should be aware that investing in an early-stage growth company, and in a newly developing medicinal cannabis industry in Australia, should be considered highly speculative and involves numerous significant risks including under capitalisation, failure to obtain or maintain the necessary regulatory approvals, licences and permits and obstacles or delays in the implementation of Bod's business plan or material revenue generation coupled with existing and future legislative and regulatory risks. Bod makes no representation that its products will be commercially successful.

Bod continues to incur operating losses. Bod may not be able to achieve profitability and may continue to incur significant losses in the future. In addition, Bod expects to increase its capital expenditures and operating expenses as it implements initiatives to grow its business. If Bod's revenues do not increase to offset these expected increases in expenditures and operating expenses, it will not be profitable in the future.

Anticipated or expected sales may not be achieved, and even if achieved, may not result in Bod being profitable. There is no assurance that Bod will be successful in achieving a return on shareholders' investments and the chances of success must be considered in light of the early stage of its business and proposed expansion of its operations. There is no guarantee that Bod's growth and sales initiatives will be successful. Bod's failure to successfully execute its expansion strategy may have a significant adverse effect on its financial performance and prospects.

### Competition risk

The bio-pharmaceuticals industry and more specifically the medicinal cannabis sector, is highly competitive and many of Bod's competitors have more financial and operating resources.

Should Bod be unable to grow sales of its existing products and successfully innovate and launch new products through its R&D activities, Bod may be unable to effectively compete with its competitors.

Bod's competitors may also participate more aggressively on price, product, innovation or other means that could adversely impact Bod's financial and operating performance and prospects.

Bod intends to continue to focus on brand development, sales and marketing. By its nature, there is no guarantee that the Company's brand development, sales and marketing campaign will be successful. In the event that it is not, this may materially and adversely impact the Company's ability to reach profitability.

### Intellectual property risk

Bod's products and pipeline are protected by a number of patents and the Company intends to build on those patents where necessary. Similarly, Bod will monitor new patent applications worldwide.

Bod's trademarks, trade names, patents, patent applications, copyrights, trade secrets and other intellectual property rights are important to its success and unauthorised use of any of the Company's intellectual property, or a failure to properly protect those intellectual property rights may adversely affect its business and reputation. There can be no assurances that Bod will be able to:

- register or protect new intellectual property it develops in the future or is seeking to protect now; or
- prevent the unauthorised use of its intellectual property.

Failure to adequately protect and prevent unauthorised use of Bod's intellectual property rights could materially and adversely affect the Company's financial performance and condition.

### Product liability and claims

Bod may be exposed to liability claims if its products are faulty or cause harm to its customers. Previously unknown adverse reactions arising from human consumption of CBD derived medicines could occur.

Bod may be subject to various product liability claims, including among others that the Company's products cause injury or illness, inadequate instructions for use or warnings concerning possible side effects.

A product liability claim or regulatory action against Bod could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally and could have a material adverse effect on the Company's results and financial operations.

ASX:BOD, SEPTEMBER 2022



## KEY RISKS – COMPANY

30

### Medicinal cannabis industry and regulatory risks

Bod's business operates in a highly regulated industry, which brings a number of industry risks common amongst those businesses that operate in this sector. These include those described below, and each risk (if not mitigated successfully or appropriately) may have an adverse effect on the business, reputation, financial position, financial performance and/or prospects of the company:

- **General Regulatory Risk:** Bod is subject to a highly regulated environment and numerous laws, regulations and directives. Changes to such laws, regulations and directives may cause adverse effects on a business operating in this industry, including increase its operating costs and negatively impacting its financial position, financial performance and/or prospects.
- **Regulatory Approvals:** Bod's ability to continue its business is dependent on holding certain authorisations, licences and permits and adherence to all regulatory requirements related to its activities. Any failure to comply with the conditions of its regulatory approvals, or to renew its approvals after they expire, would have a material adverse impact on Bod's business.
- **Product Approvals:** Medicinal cannabis products are regulated as medicines in Australia. Generally, medicines imported into, supplied in, and exported from Australia must be entered in the Australian Register of Therapeutic Goods (ARTG), or through other schemes or clinical trial exemptions. Bod cannot guarantee that any or all of its CBD products will be approved for supply to patients under these pathways.
- **Compliance with Licence conditions:** Bod is required to obtain and maintain certain licences in order to conduct its business. In the event that a material licence is breached or not renewed, the Company may suffer loss.
- **Industry Confidence and Reputation Risks:** There is a risk that negative publicity or incidents beyond the control of Bod could occur which would have the effect of reducing patient, medical/scientific or regulatory confidence or preferences for CBD products, including a serious adverse effect incident involving CBD, negative medical or scientific findings or material breach of a law or regulation by Bod or a competitor.

### Clinical trial risk

Bod currently has a clinical trial pipeline, the success of which will be important in determining Bod's future prospects. Clinical trial success is required for products to receive Government and regulatory approval.

Bod cannot predict the outcome of clinical trials and 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 relevant Government agencies will allow Bod to undertake such trials.

Any of these events will impact the timeline for commercialising a product and Bod's financial performance and prospects.

### New product development risk

As the medicinal cannabis market matures, the competition is likely to increase. In order for Bod to remain competitive, it will need to invest significantly in research and development, particularly with respect to new products.

An important aspect of Bod's business is to continue to invest in innovation and related product development opportunities in order to expand Bod's product offering to strengthen its competitive position.

Developing new products is expensive and often involves an extended period of time to achieve a return on investment. Bod may not, however, receive benefits from its R&D activities for several years or may not receive benefits at all. There may also be certain product developments that supersede, or are superior to, Bod's products.

This will adversely affect the Company's financial performance and position. If for any reason, Bod does not allocate sufficient resources to invest in new product development, or is not successful in its endeavours, its ability to meet its growth objectives would be materially and adversely affected.

ASX:BOD, SEPTEMBER 2022



## KEY RISKS – COMPANY

31

### Reliance on key personnel

Bod's success depends on the core competencies of the Directors and management and the ability of the Company to retain key personnel.

Loss of key personnel could have a material adverse impact on Bod's performance and future prospects.

### Reliance on third parties

Bod contracts with a number of third parties to provide it with goods and services: it relies on these contracts to provide its customers with IT infrastructure and software, which underpin its core business activities. Bod is also reliant on third party suppliers for the supply of high quality CBD products for use in its products and in clinical trials and to manufacture its products.

If third party suppliers cease to provide those services or otherwise terminate or are unexpectedly unable to perform their arrangements with the Company, Bod's ability to provide goods and services to its customers and to pursue its R&D activities would be materially adversely affected.

Delay, disruption or deterioration in the level of service provided by a third party, or any change to applicable rates and charges by key suppliers, could materially adversely impact on the Company's gross margin and profitability.

### Future capital needs and solvency

Bod's future capital requirements will depend on many factors including its business development activities. The Company believes that its available cash, as well as the expected net proceeds of the Capital Raising, should be adequate to fund its business activities in the short term; however, the Company may need to raise additional capital in the foreseeable future.

In this regard, most of the net proceeds of the Placement will be allocated towards funding the Acquisition and offer costs. Further, in FY2022, the Company experienced net cash outflows. Based on this, the Directors consider it possible that the Company may need to raise further debt and/or equity capital in the foreseeable future, particularly if the Entitlement Offer is not fully subscribed. Any further equity capital raised will be dilutive to Shareholders' existing interests in the Company.

Should the Company require additional funding, there can be no assurance that it will be available, either on acceptable terms or at all. Any inability to obtain additional funding, if required, would have a material adverse effect on the Company's business and its financial condition and performance.

### Going concern

Bod's annual report for the period ending 30 June 2022 includes a note on the financial condition of the Company and the possible existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern. The Directors believe there are reasonable grounds to believe that Bod will be able to continue as a going concern after consideration of the following factors:

- current cash at bank;
- the ability to adjust its forecast expenditure profile by changing the timing or amount of its operational and research and development expenditure;
- the availability to the Company of the net proceeds of the Placement upon its completion, less the Acquisition and Capital Raising costs;
- an amount to be raised under the Entitlement Offer, including in respect of the underwritten component;
- the potential ability to access various capital raising mechanisms within a relatively short time frame from existing and potential new Shareholders; and
- consideration of negotiating supply or licensing agreements for its products.

The Directors believe that Bod will be able to pay its debts as and when they become due and payable and to continue as a going concern. Should it not be successful in generating sufficient funds from the above initiatives, there will exist a material uncertainty that may cast significant doubt on the ability of Bod to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

ASX:BOD, SEPTEMBER 2022



## KEY RISKS – GENERAL

32

### Foreign exchange risk

Bod reports its results in Australian dollars. Given that certain payments required under the Acquisition agreement are in British Pounds, in the event that there is an adverse move in the exchange rate of the British Pound, Bod's future Australian-dollar costs may vary in a materially adverse way.

### Macro-economic conditions

Bod's performance will depend to a certain extent on a number of macro-economic factors outside its control. General market conditions may also affect the value of Bod's shares, regardless of the Company's operating performance. Relevant macro-economic conditions may include:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates, which may increase Bod's operating costs and reduce consumer demand for its products;
- changes in investor sentiment toward particular market sectors or the market generally;
- the demand for, and supply of, capital;
- concerns regarding pandemics, epidemics and the spread of contagious diseases;
- domestic unrest, terrorism or other hostilities; and
- Climate change, natural disasters such as floods, fires or drought.

### Tax risks

Changes to the rate of tax imposed on Bod (including in overseas jurisdictions in which Bod operates now or in the future) or tax legislation generally may affect Bod and its shareholders.

### Insurance risk

In certain circumstances, Bod's insurance policies may not be of a nature or level to provide adequate cover for an event or events. The occurrence of an event that is not covered or fully covered by Bod's insurance policies could have a material adverse effect on the business, financial condition and results of Bod.

### Liquidity

There can be no guarantee of an active market in Bod shares. There may be relatively few potential buyers or sellers of Bod's shares on the ASX at any time. This may increase the volatility of the market price of Bod's shares. It may also affect the prevailing market price at which Shareholders are able to sell their shares.

### Underwriting risk

Bod has entered into an underwriting agreement with David Baker (Underwriting Agreement) pursuant to which Mr Baker has agreed to partially underwrite the Entitlement Offer (subject to the terms and conditions of the Underwriting Agreement).

The obligations of Mr Baker to partially underwrite the Entitlement Offer are conditional on certain customary matters and if certain events occur, Mr Baker may terminate the Underwriting Agreement. See Appendix 4 for further details.

Termination of the Underwriting Agreement would have an adverse impact on the amount of proceeds raised under the Capital Raising and may result in termination of the Acquisition. In these circumstances, Bod may need to source alternative funding to meet its capital needs, which could adversely affect the financial condition of the Company. There is no certainty that alternative funding could be obtained on satisfactory terms, or at all.

### Changes in accounting standards

Changes to Australian Accounting Standards issued by the AASB, or changes to commonly held views on the application of those standards, could materially adversely affect the financial performance and position reported in Bod's consolidated financial statements.

ASX:BOD, SEPTEMBER 2022



# THANK YOU

Level 1, 377 New South Head Road  
Double Bay NSW 2028  
+612 9199 5018  
bodscience.com



ASX:BOD, SEPTEMBER 2022

## APPENDIX 1: AN INDUSTRY LEADING SCIENTIFIC ADVISORY BOARD

34



**ASSOCIATE PROFESSOR  
ARMAN SABET MD, FRACP**

A medical doctor and the Head of the Neurology Department at Gold Coast University Hospital and an Associate Professor of Neurology at Griffith University.

Dr Sabet specializes in the treatment and management of neurological disorders, with special interest in the utility of medical cannabis in clinical settings to help give patients the improved quality of life.

Dr Sabet provides crucial clinical insight and valuable expertise into neurological disorders



**PROFESSOR ANDREW  
MCLACHLAN AM, PHD**

Head of School and Dean at the Sydney Pharmacy School, The University of Sydney.

Professor McLachlan is a trained pharmacist, university academic and scientific researcher with experience in clinical pharmacology and the quality use of medicines.

Professor McLachlan is the former chair of a human research ethics committee and serves on Australian Government Committees related to medicines policy, evaluation, regulation and antidoping.

Professor McLachlan provides invaluable expertise on clinical pharmaceutical research as well as the processes around drug development.



**PROFESSOR IAN OLVER  
AM, MD, PHD**

Currently a professional research fellow in the School of Psychology at the University of Adelaide.

Professor Olver trained as a medical oncologist and bioethicist, his current research focuses on supportive care in cancer and psycho-oncology.

Professor Olver was previously CEO of Cancer Council Australia and Clinical Director of the Royal Adelaide Hospital Cancer Centre.

Professor Olver's extensive experience and history in oncology practice and research is invaluable for the research and development of cannabinoid therapeutics.



**DR ADELE HOSSEINI PHD**  
Chief Scientific Officer

An executive scientific and clinical affair professional with experience across a wide range of pharmaceutical and biotech companies.

Brings strategic and operational experience in the area of drug development.

A motivational leader with extensive leadership experience, able to instill a sense of urgency and energizes teams to inspire cutting edge performance with direct measurable impact to revenue.

Ability to simplify complex information, solution oriented with a positive outlook and high-level interpersonal skills.

ASX:BOD, SEPTEMBER 2022



## APPENDIX 2: KEY TERMS OF ACQUISITION OF AQUA PHASE

### Assets to be acquired

The assets to be acquired by Bod comprise a process technology invented and developed by the Sellers to make lipophilic compound(s) from cannabis (or other chemicals or compounds) soluble in aqueous solutions (**Invention**), together with all intellectual property (including a patent application), confidential information, records, goodwill and right to the name "Aqua Phase" associated with the Invention.

### Use of Invention for non-cannabis compounds

The Acquisition covers the use of the Invention for purposes other than cannabis. Bod will act in good faith and cooperate with the Sellers to enable the Sellers to be compensated for the fair value (if any) of use of the Invention (or its intellectual property) if it is also able to be successfully used in the absence of cannabis compounds.

### Conditions precedent

The following conditions precedent must be satisfied or waived (by Bod):

| CP # | Description                                                                                                                                                                                                                  | CP due date              |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| 1.   | Successful manufacture of Milestone Product for a PK Study to be undertaken by Bod.                                                                                                                                          | 3 months after execution |
| 2.   | Successful completion of non-pharmaceutical GMP stability for one-month real time and one month accelerated time (which later provides for 3 months of real time stability) on the Milestone Product.                        | 3 months after execution |
| 3.   | Successful proof in a human pharmacokinetic (PK) Study that the Milestone Product has a 30% or greater improved bioavailability as determined by the area under the curve difference compared with CBD dissolved in MCT oil. | 6 months after execution |
| 4.   | Successful completion of an equity raise transaction by Bod which raises at least A\$2 million in aggregate.                                                                                                                 | 4 months after execution |

The "Milestone Product" for the purposes of the transaction is any CD/CBD capsule, tablet or other product format agreed by the parties which utilises the Invention.

### Purchase price

Bod will pay the Sellers the following amounts for the transaction:

- At Completion of the transaction (being the point at which the Conditions have all been satisfied or waived), GBP 1 million.
- Following Completion, if Milestone 1 (defined below) is achieved, GBP 0.5 million (Milestone 1 Payment).
- Following Completion, if Milestone 2 (defined below) is achieved, GBP 1.5 million (Milestone 2 Payment).

If Bod elects, Milestone 1 Payment and Milestone 2 Payment may be satisfied by the issue of new ordinary shares in Bod (rather than cash) (Consideration Shares), or a combination of cash and shares.

The issue price will be based on the 3-month VWAP of Bod shares at the relevant time, less a 10% discount to reflect the issue of shares rather than cash.

A maximum of approximately 51.9 million Consideration Shares, or such other number approved by Bod's shareholders, will be issued under the Acquisition Agreement. A Seller must not obtain a relevant interest in 20% or more of Bod's issued shares via the issue of Consideration Shares.

The issue of Consideration Shares is subject to Bod shareholder approval, failing which the Milestone Payments must be settled in cash.

### Post-Completion Milestones

Following Completion, the Sellers will be entitled to a Milestone 1 Payment and/or Milestone 2 Payment if the following milestones are achieved.

| Milestone | Description                                                                                                                                                                                                                                                                                                                | Timing                                                                  |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| 1.        | Successful manufacture to pharmaceutical GMP standards of such number of batches of the Milestone Product as is agreed between the Sellers, Bod and the relevant pharmaceutical body and such batches being placed onto and achieving pharmaceutical GMP stability for one month real time and one month accelerated time. | 24 months after Completion subject to extension for third party delays. |
| 2.        | Successful production of the first commercial pharmaceutical GMP (100,000-500,000 capsule run) batch of Milestone Product.                                                                                                                                                                                                 | 36 months after Completion subject to extension for third party delays. |

If either Milestone 1 Payment or Milestone 2 Payment is not triggered, but Bod subsequently achieves sales in excess of GBP 1 million of a Milestone Product or of another Product utilising the Invention or sells the Invention to a third party, Bod will pay any Milestone Payment which has not already been paid to the Sellers.

### Non-payment or insolvency event

If following Completion Bod becomes insolvent or fails to pay a milestone payment as required under the Acquisition Agreement (provided that Bod will first have a 60 business day grace period to rectify any non-payment of a milestone payment), Bod will be required to transfer legal and beneficial ownership of the Invention and related assets back to the Sellers.

## APPENDIX 3: AQUA PHASE INVENTORS CONSULTANCY AGREEMENTS

Both inventors will enter consultancy contracts to work with Bod for two years following Completion to assist with tech transfer and assist with commercialisation opportunities.

The remuneration for such consultancy work will be £100,000 each per annum (inclusive of any applicable tax or withholding).

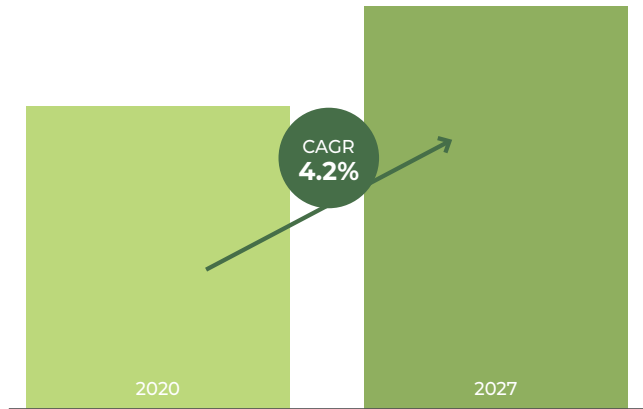
Payment of Milestone 1 & 2 above will be subject to the Inventors:

- complying with their consultant contracts, which includes completing the agreed period of the consultant contracts and complying with their restraints of trade; and
- providing information and support, including documentation, technical assistance and cooperation to successfully transfer and integrate the technology and intellectual property to Bod (to the extent not already transferred at Completion).

## APPENDIX 4: PHASE IIB CLINICAL TRIAL FOR A NEW CBD PRODUCT TARGETING INSOMNIA<sup>1</sup>

- Global Insomnia Market was valued at US\$4.82 billion in 2020, and is estimated to reach US\$6.43 billion by 2027, registering a CAGR of 4.2%.
- Bod is well advanced in the commencement of a Phase IIB clinical trial which, if successful will allow the company to become one of the first companies to introduce a Schedule 3 Pharmacy Only CBD Product in Australia.
- Phase IIB clinical trial will investigate the efficacy of uniquely developed Schedule 3 CBD formulations on symptoms associated with sleeplessness in 200 participants over 8 weeks.
- This will unlock a market opportunity valued at \$250 million per annum in Australia - highlighting significant product demand moving forward.
- Three unique formulas and drug delivery formats have been developed for the trial – intention to launch all three formats into the market if ARTG product registration is secured.

### GLOBAL INSOMNIA MARKET ESTIMATED GROWTH IN VALUE



<sup>1</sup>. All data sourced from <https://www.maximizemarketresearch.com/market-report/insomnia-market/37228/>

ASX:BOD, SEPTEMBER 2022



## APPENDIX 5: UNDERWRITING AGREEMENT

Bod has entered into an underwriting agreement with David Baker (Underwriting Agreement) pursuant to which Mr Baker has agreed to partially underwrite the Entitlement Offer but not the Placement (subject to the terms and conditions of the Underwriting Agreement), up to a maximum of \$100,000 worth of shortfall shares under the Entitlement Offer (being 1,250,000 New Shares).

No underwriting fee is payable by Bod under the Underwriting Agreement.

The Underwriting Agreement contains representations and warranties, and indemnities, in favour of Mr Baker. There are also conditions precedent to Mr Baker's obligations under the Underwriting Agreement (including in respect of his underwriting and settlement obligations).

Mr Baker may, in certain circumstances, terminate his obligations under the Underwriting Agreement on the occurrence of certain termination events, including where:

a) ASIC:

- holds, or gives notice of intention to hold, a hearing or investigation in relation to the Capital Raising or Bod; or
- prosecutes or gives notice of an intention to prosecute Bod; or
- commences proceedings against, or gives notice of an intention to commence proceedings against Bod,
- or any of its directors, officers, employees or agents (other than Mr Baker) in relation to the Capital Raising, and the hearing, prosecution or proceeding (or notice of intention to hold the hearing, prosecution or proceeding) is not withdrawn by the Business Day prior to the settlement of the Entitlement Offer (Settlement Date);

b) ASX announces that Bod's shares will be delisted, removed from quotation, withdrawn from admission to trading status or suspended from quotation;

c) Bod withdraws the Capital Raising or any part of it;

d) Bod is prevented from issuing New Shares in accordance with the ASX Listing Rules, applicable laws, a government agency or an order of a court of competent jurisdiction;

e) any document prepared in connection with the Capital Raising includes content that is misleading or deceptive in a material respect (including by omission);

f) proceedings are commenced or there is a public announcement of an intention to commence proceedings before a court, tribunal or panel of competent jurisdiction in Australia seeking an injunction or other order in relation to the Capital Raising, and the proceedings or intention to commence proceedings is not withdrawn, discontinued or terminated by the Business Day prior to the Settlement Date; or

g) Bod or any of its directors (other than Mr Baker) or officers (as that term is defined in the Corporations Act) engage in any fraudulent conduct or activity or are charged with a criminal offence, whether or not in connection with the Capital Raising.

In addition, Mr Baker may, in certain circumstances, terminate his obligations under the Underwriting Agreement if any of the following termination events occurs and, in the reasonable opinion of Mr Baker, the event:

- has had, or is likely to have, a materially adverse effect on the outcome or success of the Capital Raising; or
- is reasonably likely to give rise to a contravention by Mr Baker of, or liability for Mr Baker under, the Corporations Act or any applicable laws.

The relevant events are as follows:

h) Bod fails to perform or observe any of its material obligations (including, for the avoidance of doubt, undertakings) under the Underwriting Agreement;

i) any material adverse change or effect occurs, in the condition (financial or otherwise), assets, earnings, business, affairs, liabilities, financial position or performance of Bod from that existing at the date of the Underwriting Agreement; or

j) any representation or warranty made or given by Bod in the Underwriting Agreement is or becomes untrue or incorrect.

ASX:BOD, SEPTEMBER 2022

