

## **Exclusive licensing and five-year supply agreement secured with Australia's largest generic pharmaceutical and private label OTC medicines company**

- Agreement with Arrotex Pharmaceuticals to commercialise a unique Schedule 3 (Pharmacist Only) CBD product - Schedule 3 CBD medicines are available by a pharmacist only, over the counter without a prescription
- Arrotex is the largest generic pharmaceutical and private label OTC medicines company operating in Australia. With over 400 staff and services over 5,700 pharmacies, Arrotex is the preferred supplier to over 3,000 of these pharmacies providing a strong sales pipeline for Bod's Schedule 3 CBD product
- Bod will receive an initial \$500,000 cash payment for exclusive supply of the final product to Arrotex, which is payable within 30 days from signing of the agreement
- Agreement highlights Bod's ability to commercialise its drug development pipeline and clinical trial pathway while underpinning revenue growth
- Bod's Phase IIb clinical trial to progress Schedule 3 (Pharmacist Only) product development continues to advance pleasingly – participant enrolment has commenced and is well advanced

**Sydney, Australia – December 2, 2022:** Cannabis focused drug development and product innovation company Bod Australia Limited ("Bod" or "the Company") (ASX: BOD) is pleased to advise that it has entered into an exclusive Licence and Supply Agreement ("LSA") with Australia's largest generic pharmaceutical and private label over the counter (OTC) medicines company Arrotex Pharmaceuticals ("Arrotex") to licence and supply a unique CBD medicine designed for Australia's Schedule 3 (pharmacist only) market. The LSA includes a five-year supply agreement term, which will underpin Bod's growing revenue profile.

Under the agreement, Bod will develop a unique Schedule 3 (Pharmacist Only) CBD medicine for Arrotex which will be exclusively licensed to Arrotex for an upfront fee of \$500,000, and Arrotex has committed to a five-year supply agreement with Bod for the finished product. The final product will be supplied to Arrotex following satisfactory completion of Bod's phase IIb clinical trial (refer ASX announcement: 22 September 2021) and its subsequent receipt of regulatory approval and an ARTG registration.

### **Management commentary:**

**CEO Ms Jo Patterson said:** *"This agreement with Arrotex is an exciting step for Bod. It highlights our position as an agile and trusted drug developer for large corporate partners and has the potential to unlock considerable value through Arrotex's established channels into the Australian market."*

*"We are excited to progress work towards commercialising a unique product for Arrotex and the Australian market, allowing us to become one of the first providers of Schedule 3 CBD medicines in Australia."*

*"This clinical trial is well advanced and we look forward to providing additional updates on the trial as the data becomes available."*

**Sandy Mellis, Arrotex Chief Commercial Officer said:** *"We are very pleased to have secured this agreement with Bod Australia and look forward to adding a specially designed, scientifically proven CBD medicine to our OTC product range.*

*"Bod has previously undertaken a considerable amount of R&D and clinical trial research on its unique cannabis extract and has the ability to bring a new CBD product to the Australian market quickly. This speed to market and their expertise in commercialisation for large corporates makes them an exciting and obvious partner.*

*"We look forward to working with Bod well into the future and supporting them in future endeavours."*

#### **About Arrotex:**

Formed following the merger of Arrow Pharmaceuticals ("Arrow") and Apotex Australia ("Apotex") in July 2019, Arrotex is today the largest generic pharmaceutical and private label OTC medicines company in Australia.

Driven by a dedication to creating value through its people, brands, programs, and partnerships, Arrotex is committed to providing affordable access to quality brands and services that pharmacies and the Australian public rely on every day to improve health outcomes.

#### **Agreement terms:**

Bod grants Arrotex exclusivity for one of the unique product formulations and delivery methods of its Schedule 3 (pharmacist only) CBD product. Bod will receive an upfront fee of \$500,000 for exclusivity on the product formulation and delivery method, which is payable by Arrotex within 30 days from signing of the agreement. The fee is refundable if clinical trials are not satisfactorily completed by 30 June 2023 or a grant of regulatory approval for the medicine is not obtained by the end of August 2024 ("Conditions Subsequent").

The agreement contains a minimum five-year binding supply agreement under which Bod will receive revenue for supplying the product formulation and delivery method ("Supply Agreement"). The Supply Agreement is subject to satisfaction of the Conditions Subsequent and may be terminated by Arrotex for, among other customary circumstances, Bod's material breach of the agreement that is unable to be remedied. The five-year supply term demonstrates the Company's ability to commercialise its drug development pipeline and product innovation initiatives. It also provides Bod with another consistent revenue stream over the coming years and highlights the Company's ability to deliver high quality, scientifically proven solutions to another large corporate partner.

#### **Schedule 3 Clinical trial and product background:**

Bod is currently undertaking a phase IIb clinical trial for the development of a new schedule 3 CBD product referred to above. The Company will progress the development of the new product in line with Therapeutic Goods Administration ("TGA") requirements, so that it can be made available to Australian consumers over the counter as a Schedule 3 (Pharmacist Only) medicine, as well as other key international markets.

The clinical trial will test the efficacy of the Company's unique CBD formulation on symptoms associated with insomnia – refer to ASX announcement: 22 September 2021 for further information.

The Company has secured ethics approval for the initiative, allowing for participant recruitment (refer ASX announcement: 24 January 2022) which is now well underway with the trial currently in progress through the Woolcock Institute.

**This announcement has been approved by the Board of Bod Australia Limited.**

**-ENDS-**

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### About Bod Australia:

Bod Australia Limited (ASX:BOD) Bod is a cannabis focused drug development and product innovation company.

Bod is focused on progressing R&D and a defined clinical trial pathway to commercialise and deliver premium, scientifically proven and trusted products for the consumer and medical markets.

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

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