Investor Presentation

November 2023

BOD SCIENCE LIMITED (ASX: BOD)

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We supplement our financial information reporting determined under International Financial Reporting Standards (IFRS) with certain non-IFRS financial measures, including cost of goods sold and earnings before interest, tax, depreciation and amortisation (EBITDA). We believe that these measures provide meaningful information to assist management, investors and analysts in understanding our financial results and assessing our prospects for future performance. Non-IFRS measures have not been subject to audit or review.

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.

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Downstream focussed with first mover advantage and a robust commercial pipeline

ASX:BOD

Our placement was oversubscribed
and successfully completed in August

Bod raised **AUD$1.6 million** (after costs) at an offer price of **A$0.08**

Placement participants were offered **one attaching option for every two new shares issued**, exercisable at $0.10 on or before 30 June 2024

The Placement comprised the issue of approximately **24.1 million shares**

A total of approximately **22.2 million shares** and **11.1 million Attaching Options** were issued under the Placement using the Company's existing capacity under ASX Listing Rules 7.1 and 7.1A

A total of **A$150,000** worth of shares out of the $1.6 million raised (1.875 million shares) have been subscribed for by Bod Chair, David Baker

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Since then, over the last 2 months
we have made significant progress

We reported successful trial results on our CBD soft gel capsule

We entered the THC Flower market, with first sales expected in 2QFY24

We completed our studies on Aqua Phase, our novel delivery technology

We entered into a strategic commercial agreement with Royal DSM

1. https://live.euronext.com/en/product/equities/CH1216478797-XAMS

We reported successful trial results
on our CBD soft gel capsule

A dose strength of **100mg of CBD** demonstrated **statistically significant results** vs **placebo** in treating short-term relief of insomnia. This is based on the *per protocol group* defined as the group that has completed the 8-week trial and has been fully compliant with the trial design protocol

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Safety and tolerability of CBD doses were assessed, and **no safety concerns were identified**

Results on all endpoints are being reviewed and compiled into a data pack to be presented to the TGA in Q2 FY24

The trial was designed to achieve a Schedule 3 registration for the soft gel capsule which allows for the product to be **sold over the counter through Australian pharmacies without a prescription**

The trial was undertaken in conjunction with The Woolcock Institute of Medical Research. The trial was a **gold standard clinical trial** (double blinded placebo) and is known as a Phase IIb trial. A Phase IIb provides all the data required for a schedule 3 product dossier submission

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The soft gel capsule is an **exclusive and proprietary unique formulation** and trade marked under the name Bod Bio Absorb

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Initial sales will commence immediately for the product through the approved existing pathway in Australia. The product also offers commercial opportunities further afield in other major global markets that Bod is exploring

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MediCabilis™

WOOLCOCK
LEADERS IN BREATHING & SLEEP RESEARCH

Now we are compiling a data pack for discussions with the TGA for our soft gel capsule

We are currently receiving all remaining data from each of the primary, secondary and tertiary end points. Once the analysis of the results is complete, the data will be compiled into a data pack

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This becomes the basis of evidence to support the efficacy of the soft gel capsule for **the treatment of short-term insomnia**

When all results are available, **Bod will meet with the TGA** to discuss the registration pathway for our Schedule 3 CBD soft gel product

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Bod expects to be in a position to submit the dossier to the TGA for our ARTG registration, positioning Bod **as the first company to submit a medicinal cannabis dossier to the TGA** for assessment as an over-the-counter (pharmacist only) medicine

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Positive progress with the dossier submission is **expected to support sales** through existing SAS-B channels

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MediCabilis™

This will deliver a first mover advantage for Bod in the Australian market.

Receiving the ARTG registration from the TGA if successful on the anticipated timeline will **position Bod as the first Australian company to launch a CBD product over the counter** (OTC) through Australian Pharmacies

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In addition, registration will elevate Bod to be **one of only 2 companies globally** to have a registration on a CBD product

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Whilst the Australian market for an OTC product offers significant opportunities, there are **additional opportunities at a global scale that we are exploring**

Bod has already **secured an exclusive supply agreement** for this product for the Australian market with Arrotex. Arrotex are the largest generic pharmaceutical company in Australia. The supply agreement will commence when the product receives an ARTG registration. The supply agreement is based on a 5-year term and includes minimum order quantities

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Commercial conversations are ongoing outside of Australia in relation to licence and supply opportunities

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Insomnia has a significant impact on the economy as it is central to a person's overall health and wellbeing. (Estimated overall cost of sleep disorders in Australia in 2019-2020 (population: 25.5 million) was $13.3 billion)[1]

MediCabilis™

arrotex PHARMACEUTICALS

1. https://pubmed.ncbi.nlm.nih.gov/34015136/#:~:text=Results%3A%20Estimated%20overall%20cost%20of,billion%2C%20RLS%20%249.0%20billion).

We completed our studies on Aqua Phase, our novel delivery technology

Reporting **6X improved absorption of CBD** compared with CBD in MCT oil[1]

The Pharmacokinetic (PK) studies complete our research and development work to support the commercialisation of the Aqua Phase technology solution

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Aqua Phase is a product process technology that solves solubility and bioavailability limitations with drugs that are poorly absorbed by the body through oral dose formats

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Importantly compounds complexed with Aqua Phase present both as soluble and stable in aqueous solutions

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Whilst Aqua Phase has significant application within the cannabis sector it is agnostic in its application and offers a much broader opportunity

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The commercial roll out will see its application across cannabis, pharmaceutical, nutraceuticals and beverage markets

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1. Two-way randomised crossover study on 12 healthy individuals receiving 100mg CBD Aqua Phase CBD and CBD in MCT oil.

And identified our first commercial supply sale for Aqua Phase.

Bod's collaboration with **Antah Heathcare Group** for clinical trials in Malaysia will mark the first commercial supply sale of Aqua Phase

Aqua Phase will be used as the clinical trial product assessing the efficacy of CBD in the **treatment of Chronic Pain**

The trial will be based on **500 patients** in a cross over trial using **50mg CBD** versus placebo

The trial is expected to **commence next year** with manufacturing to commence first half of 2024

Antah HealthCare Group

We advanced our work with Kings College using Aqua Phase

This work marks the **first use of Aqua Phase outside the cannabis sector**

C-Fit (Division of Kings College) is focussed on CNS (Central Nervous System) Medicines. The work involves reformulating clozapine **using Aqua Phase as the delivery platform**

Clozapine is an **existing registered medicine** and currently reimbursed by the NHS

Market Size for clozapine is **USD $430.80m**[1]

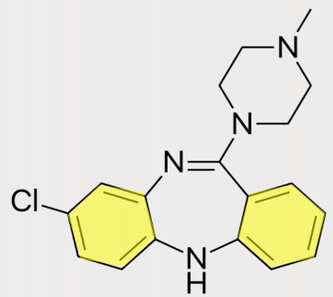
Patients and Physician compliance has been limited due to severe side effects, and therefore it has had limited commercial success

The trial with Aqua Phase will measure the **reduction in adverse effects** when taking clozapine complexed with Aqua Phase when compared to the existing formulation

Bod is working alongside the research team of C-Fit and Kings College and developing the technical batch of the product from of our already established lab in Scotland

If successful, **the product will be adopted by treating physician's out of Maudsley Hospital** who have a specific interest in this area

The King's Maudsley Partnership for Children and Young People is a unique collaboration between specialist clinicians from the South London and Maudsley NHS Foundation Trust and leading academics at King's College London. Their experts **lead the world in approaches to mental health**. Together, they host the largest group of mental health scientists and clinical academics in Europe – there is no other collaboration in the world with this breadth of skills and ambition



Clozapine (CNS)

1. https://www.businessresearchinsights.com/market-reports/clozapine-market-101669

And established a small-scale lab in Scotland to support commercialisation

The establishment of the lab **supports small scale batch production** for commercial opportunities

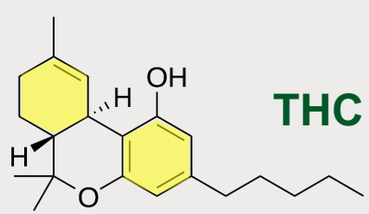
The lab allows Bod to undertake a number of development projects assessing the Aqua Phase technology solution with several priority compounds

Work has commenced on **clozapine and THC**

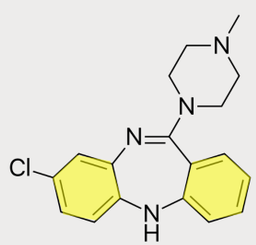
Aqua Phase complexed with clozapine will form the basis of the clinical trial product with Kings College and C-Fit

Aqua Phase complexed with THC will be used to assess its application as a fixed dose format in multiple presentations for major medical markets

We will build **commercial demand** at this scale before expanding the facility



THC



Clozapine (CNS)

We entered the THC flower market, with first sales expected in 2QFY24

Entering the market **with three exclusive flower strains** launching under Bod Flora MediCabilis. We will commence with 30 kgs for each strains. The average retail price for one prescription (10 grams) is $135.00

This launch is underpinned by an **exclusive distribution agreement** with BHC & Canview

The addition of THC to Bod's product portfolio allows us to **offer a more holistic and complete product** offering addressing the needs of our patients and supporting our prescribers

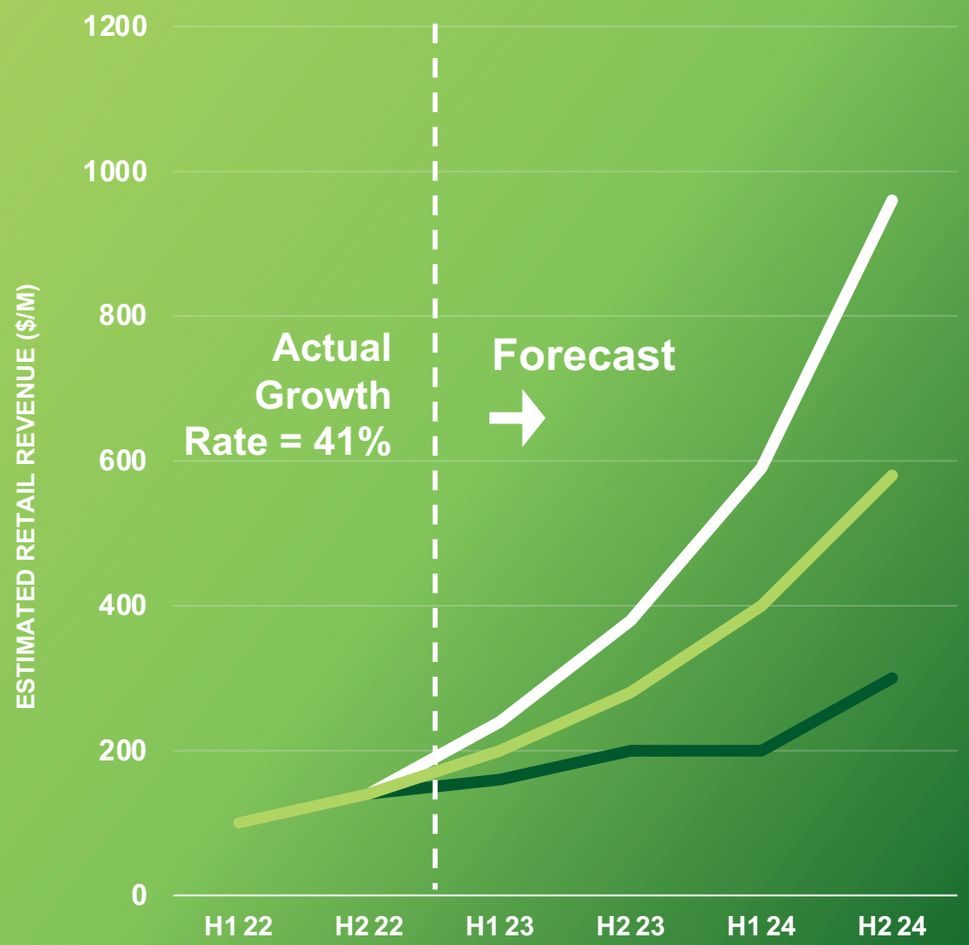
MediCabilis is a well-supported brand within the market and is **known for its quality and consistency**

The Australian medical cannabis market retail value was estimated at **AUD $244m** in 2022 with Flower as dosage form contributing AUD$156m of that total. The market is expected to surge at an annual growth rate of **42% from 2022 to 2024**[1]

We **will continue to refine and introduce additional products** over the course of the next 12 months underpinning the revenue growth that is expected

BodFlora MediCabilis™ CANVIEW BHC BURLEIGH HEADS CANNABIS

Australian Domestic Market Growth Forecast[1]



[1] Medicinal Cannabis Industry Revenue and Product Trends, Pennington Institute, Rhys Cohen, March 2023

We entered into a strategic commercial agreement with Royal DSM

Our first partnership is with Royal DSM (DSM:AS, Market Cap €21.3B)[1].

The agreement is based on the supply of CBD Isolate although the collaboration is expected to expand to include commercial opportunities with Aqua Phase leveraging their raw material product portfolio and our soft gel capsules.

1. https://live.euronext.com/en/product/equities/CH1216478797-XAMS

We are raising $2.05m to fund
product manufacture and some R&D activity

Product	Activity	Spend AUD$
THC	This will fund the inventory build for THC flower. Due to strong gross margins, the revenue from this initial production volume will be sufficient to fund any further inventory builds, as required.	500,000
Medicabilis Soft Gel Capsule	**This will fund:** a) part of the manufacture of soft gel capsules for TGA registration batch b) preparation of TGA Schedule 3 dossier Due to strong gross margins, the balance of capsules (circa 90%) will be used to fund further production volumes.	600,000
Aqua Phase	This will fund additional R&D projects for Aqua Phase based on commercial priorities. The majority of these funds will go towards supporting activities already in progress with Kings College.	150,000
Working Capital	This covers the shortfall whilst we are building the revenue profile reflected in the commercial pipeline over the next 9 -12 months.	800,000
Total		**2,050,000**

Which will support a robust product commercialisation pipeline

BodFlora

The average retail price for one THC Flower prescription is (10 grams) is $130.00.

Prior to the end of November, we anticipate to have 30kgs in market and available for sale.

This product (along with our already existing product range) will be available for sale via BHC Canview.

Further production volume will be determined by demand and sales uptake.

A bottle of 30 soft gel capsules has a retail value of $140. We have 1,500 bottles currently available for sale.

The next planned production run will yield 29,400 bottles for sale and has a 18-21 week lead time.

We are planning to commence the next commercial run imminently.

Further production volume will be determined by demand and sales uptake.

AquaPhase

Aqua Phase can be supplied in multiple presentations as well as bulk powder. Our bulk powder will be priced on a cost per kilo basis.

Average retail price for the finished product will vary depending on the supply format.

We are equipped to manufacture the bulk powder currently through our small-scale lab in Scotland and at an additional GMP Pharma grade facility.

Further production capacity determined by demand and a sales pipeline can be added in the future.

DSM

This commercial partnership is multifaceted.

It includes a supply agreement linked to supply volumes based on our commercial demand and forecasts.

We anticipate several commercial initiatives to come from this relationship.

Discussions have commenced and will continue with additional focus in FY Q2.

Pathway to achieving Sustainable Cashflow Breakeven

Bod is currently loss-making. In the quarter ending 30 September 2023 the Company's **operational cashflow was a loss of ~$1.9 million**.

Bod is **focused on achieving operational cashflow breakeven**, which requires a significant and sustained turnaround in trading performance.

The Directors aim to achieve this through a combination of revenue generation initiatives utilising the proceeds of the Capital Raising, together with cost-reduction initiatives.

These initiatives are set out in the table overleaf and are subject to a range of assumptions and risks. There is no guarantee that all, or any, of the initiatives will be successful. In addition, further risks disclosure is provided later in this presentation.

Likewise, there is no guarantee that the proceeds of the Capital Raising will be sufficient to achieve operational cashflow breakeven. Accordingly, the Company may need to raise additional capital. There is no certainty that additional capital may be available if it is required.

Risks to achieving Sustainable Cashflow Breakeven

Initiative	Assumptions	Risk
Bod Flora Sales	• Sales start at 5kgs per strain per month in November, increasing to 20kgs from February onwards • Generates material positive operational cashflow in FY24 and beyond	• Forecast sales volumes not achieved • If so, purchases of Bod Flora SKUs will be reduced
Aqua Phase License Agreements	• Commercialisation of Aqua Phase through two material license or other commercial arrangements generating approximately $3.8m of revenue in FY24	• License agreements not achieved or delayed
Schedule 3 registration	• TGA registration approval received for Schedule 3 OTC sales in FY25 and beyond	• If positive progress with the TGA and ARTG registration as a Schedule 3 product is not achieved, Arrotex will require refund of $500k exclusivity fee • Production of registration batch costing $1.0m will not be required in this case
Aqua Phase Clinical Trial Product Supply	• Revenue to be recognised for supply of product to Malaysian market and for project management services, delivered February 2024.	• Project is cancelled or delayed
R&D tax incentive	• Approximately $0.8m (net of Radium Capital repayment) expected to be received early December 2023. • Positive overseas R&D finding from AusIndustry.	• AusIndustry rejects Aqua Phase R&D overseas research and development costs. Risk $350k
FY24 R&D funding	• Based on FY24 R&D forecast and assuming continuing access to periodic loan drawdowns from our R&D financier Radium	• Inability to access our existing loan arrangements. Lower R&D spend will reduce the working capital risk to the business
Cost reduction initiatives	• The Company has undertaken a number of cost reduction measures including reduced salaries for senior management and the payment of directors fees in shares (subject to shareholder approval)	• The cost reduction measures in aggregate may not be sufficient to achieve cashflow break even

Our Partners

Commercial Partners

arrotex PHARMACEUTICALS

Antah HealthCare Group

DSM

Research Partners

WOOLCOCK
LEADERS IN BREATHING & SLEEP RESEARCH

C– FIT Centre for Innovative Therapeutics

KING'S College LONDON

Supply Partners

CANVIEW

BHC BURLEIGH HEADS CANNABIS
— EST. 2016 —

Corporate Snapshot

Capital Structure

Shares On Issue
177.3m

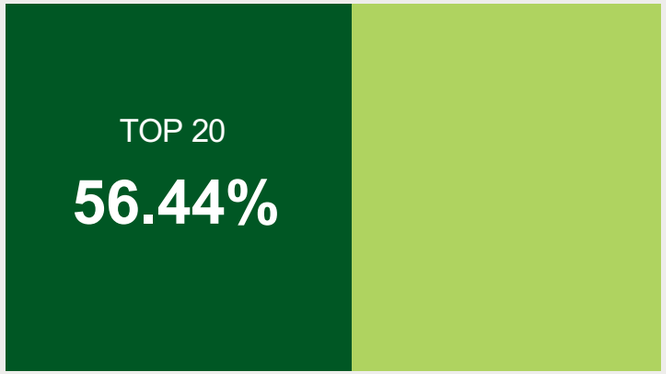
Options Outstanding
& Performance Rights
13.0m

Market Cap
$9.9m at $0.056 per share

Cash
$115k at 30 September 2023

R&D Tax Debt
$1,189,000**

Substantial Shareholders



HEALTH & HAPPINESS GROUP : **8.38%**

SG HISCOCK: **7.37%**

DUTCH INK (2010) PTY LTD: **8.61%**

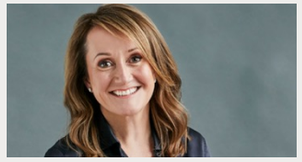
MS JO PATTERSON: **3.59%**

MR DAVID BAKER: **3.59%**

MR CRAIG WELLER: **2.74%**

Board and Management

DAVID BAKER
Chairman



JO PATTERSON
Chief Executive Officer

GEORGE LIVERY
Non-Executive Director

AKASH BEDI
Non-Executive Director

*Closing share price on 06 October 2023
** As at 30th September 2023. The loan payable to Radium Capital matures upon receipt by Bod of its FY23 R&D tax incentive from the ATO, no later than 31st December 2023. The loan is secured by a featherweight charge over Bod's R&D tax incentive

Management Team

Jo Patterson
CEO

Jo is a CEO with over 25 years in business and corporate strategy with exposure both in Australia and overseas.

She has developed a number of businesses from start-up as well as driving established organizations towards growth and merger trajectories. Jo has held multiple CEO and Managing Director roles over her career.

Jo holds a Master of Business and completed the YPO Harvard Executive Management Program.

Craig Weller
CTO

Craig has over 35 years' experience in sales, marketing and general management working in large pharmaceutical companies.

Craig spent the early part his career with the global healthcare giant, Abbott Laboratories. He held several leadership positions spanning nutritional and specialty pharmaceutical divisions. He became involved with evidence based plant medicines working with the global company Soho Floris International in the role of General Manger Asia.

Craig holds a Bachelor of Science and a Graduate Diploma of Dietetics as well as a Master of Business.

Adrian Sturrock
CFO

Adrian is a Chartered Accountant with more than 30 years experience, including 20 years leading finance teams in ASX-listed Qantas and Blackmores.

With strong reporting skills, he has high analytical skills and has demonstrated leadership and effective communications during his career.

Adrian is passionate about coaching and developing finance teams to achieve high performance and continuously looks for ways to improve systems and processes.

Adrian holds a Bachelor of Commerce.

Janet Wilson
Head of R&D

Janet has 30 years experience in clinical research, focusing in translational and early phase development.

Janet brings strategic and operational experience in the area of drug development. Her expertise has been gained in diverse therapeutic areas and products and she has worked in a wide range of both private and listed pharmaceutical, biotech and research organisations.

Janet initially qualified as an RN and holds a Master of Medical Science in pharmaceutical drug development.

Industry Leading Scientific Advisory Board

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.

Capital Raising Details

Capital Raising Details

Structure and Size

Two-tranche Placement: Bod is raising ~A$2.05 million, via a two-tranche placement (**Placement**) comprising the issue of ~68.3m new, fully paid ordinary shares (**New Shares**) at an offer price of $0.03 per New Share, as follows:

- **Tranche 1** to raise ~$0.808m via the issue of ~26.6m New Shares utilising the Company's existing placement capacity under ASX Listing Rule 7.1
- **Tranche 2** to raise ~$1.2m via the issue of ~41.7m New Shares, subject to shareholder approval at a General Meeting expected to be held on or around 15 December 2023. Tranche 2 includes the Director Placement (see below)

Director Placement

Ms Joanne Patterson (or a controlled entity) has committed to subscribe for $30,000 worth of New Shares under Tranche 2 (being ~1,000,000 New Shares).

The Director Placement is subject to shareholder approval for the purposes of ASX Listing Rule 10.11.

Offer Price

Offer Price of A$0.03 per New Share, representing:

- 46.4%% discount to the last traded price on 31 October 2023 (A$0.056)
- 42.7% discount to the 5-day VWAP price (A$0.0524)
- 49.5% discount to the 15-day VWAP price (A$0.0593)

Ranking

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

Use of funds

See slide 15

Pro Forma Capital Structure

Pro Forma capital structure

Ordinary shares on issue prior to the Placement	177.3m
Market capitalisation prior to the Placement[1]	$9.9 million
Gross proceeds to be raised from the Placement	$2.05 million
New Shares to be issued under the Placement	68.3 million
Shares on issue post-Placement (assumes Tranche 2 is approved by shareholders)	245.6 million
Offer Price	$0.03
Implied market capitalisation (at the Offer Price)	$7.368 million
Pro-forma cash[2]	$2.165 million

1. As at last close of $0.056 per share on 31 October 2023.
2. As at 30 September 2023. Includes existing cash of $115,000 at 30 September, 2023 plus $2.0 million capital raise net of fees (excluding legal costs).

Capital Raising Timetable

Event	Proposed Date
Suspension	31 October 2023
Placement announced, suspension lifted	8 November 2023
Settlement of Tranche One the Placement	Monday 13 November 2023
Allotment of Tranche One	Tuesday 14 November 2023
EGM to obtain shareholder approval for Tranche Two	On or around Friday 15 December 2023
Settlement of Tranche Two	On or around Wednesday 20 December 2023
Allotment of Tranche Two	On or around Thursday 21 December 2023

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.

[1] Subject to shareholder approval at the EGM

Key Risks

Key Risks - Company

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.

Director Placement and Options

The Capital Raising involves the Director Placement which is conditional on shareholder approval.

There is no certainty that Bod shareholders will approve the Director Placement.

If the Director Placement is not approved, the Company will not receive the expected proceeds of the Director Placement.

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.

Key Risks - Company

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.

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.

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.

Key Risks - Company

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.

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 FY2023 and in the first quarter of FY2024 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. 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 2023 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. After carefully assessing Bod's forecasts and its ability to effectively manage expectations and cash flows from operations, the directors believe that Bod's existing cash reserves, along with its expected capital and debt raising activities (including the Placement) are adequate to pay its liabilities in the ordinary course of business.

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.

Key Risks - General

Foreign exchange risk

Bod reports its results in Australian dollars. Given that certain payments required under the Acquisition of Aqua Phase 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, wars or other hostilities; and
- Climate change, natural disasters such as floods, fires or drought.

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.

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.

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.

Thank You

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