Investor Presentation Capital Raising

August 2023

BOD SCIENCE LIMITED (ASX: BOD)

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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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Bod Science (ASX: BOD) is a leading drug development and product innovation company, backed by clinical research.

Corporate Snapshot

Capital Structure

SHARES ON ISSUE	**153.1M**
OPTIONS OUTSTANDING & PERFORMANCE RIGHTS	**13.0M**
MARKET CAP	**$16.8M** AT $0.11 PER SHARE*
CASH	**~$2.031M** AT 30 JUNE 2023
R&D TAX DEBT	**$963,000****

*Closing share price on 31 July 2023
** As at 30th June 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

Substantial Shareholders

HEALTH & HAPPINESS GROUP : **9.70%**

SG HISCOCK: **8.53%**

DUTCH INK (2010) PTY LTD: **5.71%**

MS JO PATTERSON: **4.68%**

MR CRAIG WELLER: **3.21%**

MR DAVID BAKER: **2.93%**

Board and Management

DAVID BAKER
Chairman

JO PATTERSON
Chief Executive Officer

GEORGE LIVERY
Non-Executive Director

AKASH BEDI
Non-Executive Director

Investment Highlights

Market Capitalisation: $16.8M AT $0.11 PER SHARE** **Cash: ~$2.031M** AT 30 JUNE 2023

Expanding Bod's medicinal cannabis and non-cannabis product portfolio

2 Exclusive supply relationships

arrotex PHARMACEUTICALS

Antah HealthCare Group

2 Gold standard clinical trial pipeline

Completion near-term, results imminent

3 Unique delivery assets

- Aqua Phase[1]
- Project Skin Novel Delivery
- Bod Bio Absorb

4 Research collaborations

- Woolcock Institute of Medical Research
- Lambert Initiative
- UTS
- Kings College London – Cannabis and mental health product development

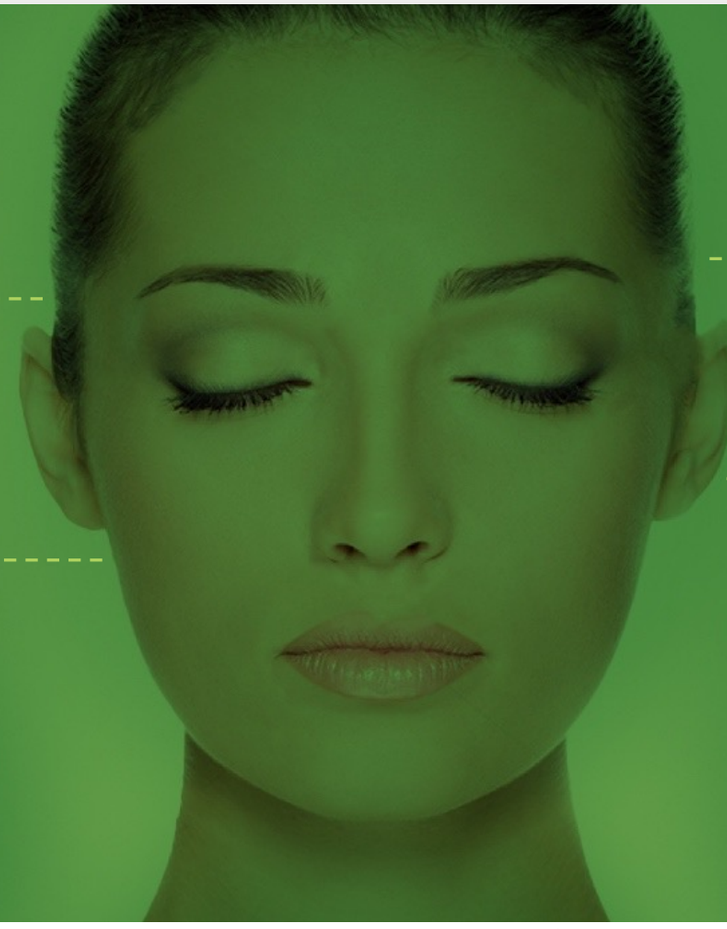
** CLOSING SHARE PRICE ON 31 JULY 2023

[1] Subject to completion

Developing Unique Treatments for Large Addressable Markets

Bod is focused on utilising **novel** and **new cannabis formulations** to develop products targeting a number of **global unmet need states** including **insomnia**, **anxiety** and **anti-ageing.**

Bod's product development is **supported by R&D** and maintains a value proposition of **pharmaceutical** grade **Good Manufacturing Practice** and patent protected products.



Insomnia

US$6.43 billion by 2030.[1]

Combined pharmacological and nonpharmacological global treatment markets

Anxiety

US$18.3 billion treatment market by 2025.[2]

Combined pharmacological and Nonpharmacological global treatment markets

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.[3]

Global topical skincare treatment markets

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.[4]

Brazil, China, Germany, Japan, United Kingdom & United States combined treatment markets

[1] www.alliedmarketresearch.com/insomnia-market [2] www.grandviewresearch.com/press-release/global-anxiety-disorders-and-depression-treatment-market
[3] www.millioninsights.com/industry-reports/global-cbd-skin-care-market?utm_source=prnewswire&utm_medium=referral&utm_campaign=prn_19Jan2021_CBDskincare_rd1
[4] https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/feeling-good-the-future-of-the-1-5-trillion-wellness-market?cid=eml-web

AquaPhase

Delivery Technology

Aqua Phase - The Technology

Bod has the right to acquire a world-first invention known as 'Aqua Phase' and related assets ("Aqua Phase"), from two inventors located in the United Kingdom[1]

CBD and other lipophilic compounds intrinsically have poor solubility which leads to reduced biological absorption

Aqua Phase has significant enhancement over previous modified starch technology and provides a 10,000 fold increase in solubility compared with 10 times using the current methodology

Aqua Phase technology process increases water solubility which leads to increased bioavailability

Specific mechanical and heating processes deliver a complex that is flavourless, colourless and stable. This leads to significantly increased solubility which in turn leads to faster onset, better efficacy and lower dosing, resulting in fewer and lower side effects.

Finished product to be presented in multiple formats

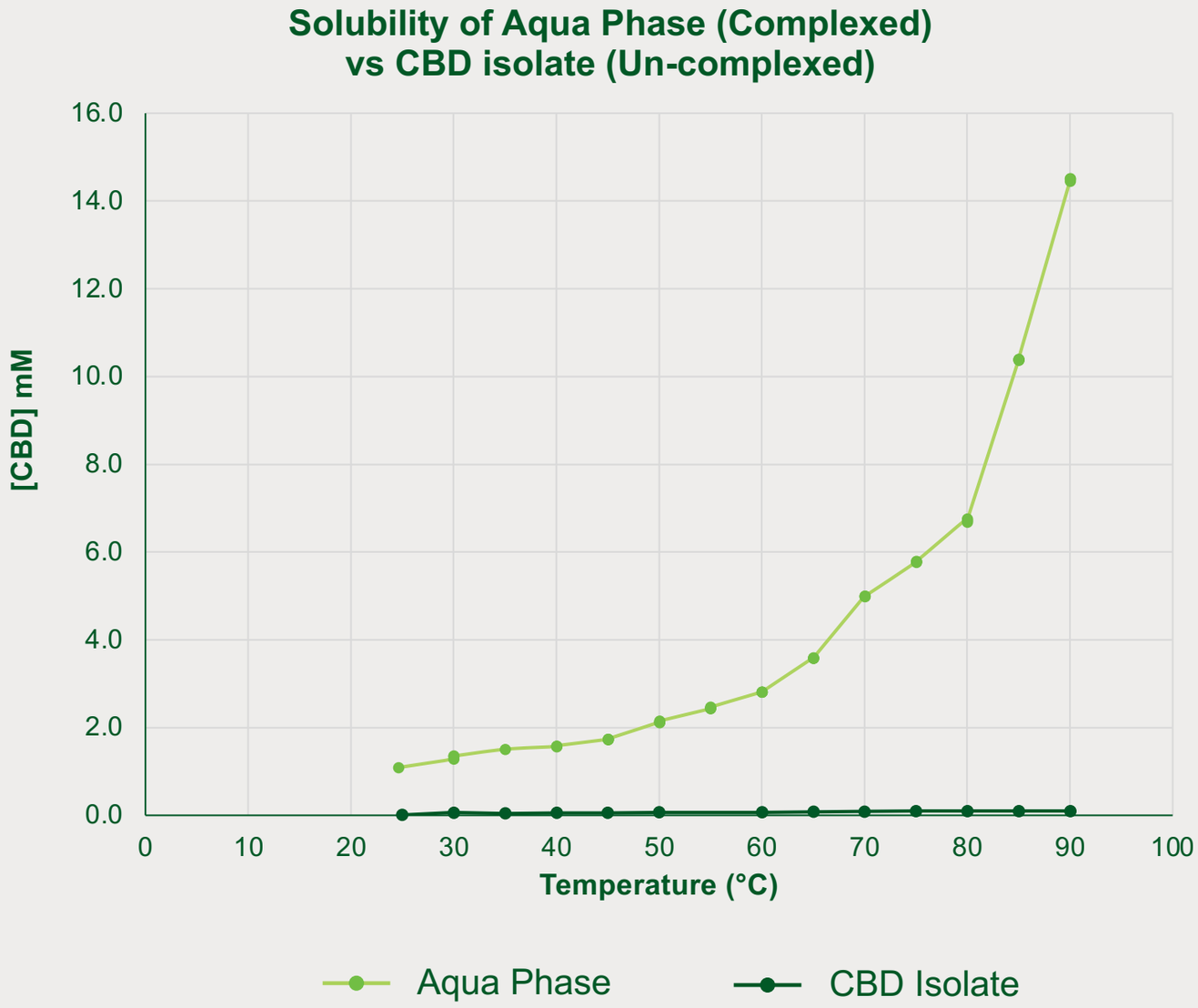
Bulk powders, capsules, tablets, fast dissolves and concentrates with application in fast-growing supplement and pharmaceutical sectors.

[1] ASX Announcement 30 August 2022: Bod to acquire Aqua Phase

Solubility Comparison

UV Analytical Results

- The solubility of the complexed CBD is many thousandfold greater than that of CBD isolate
- Solubility increases exponentially rather than linearly due to patented complexation process (Aqua Phase)
- We anticipate this effect for any lipophilic molecule complexed with Aqua Phase because of the chemistry
- Published data for CBD solubility is 0.2 uM[1] versus complexed CBD is 1.6 - 2.7 mM at body temperature

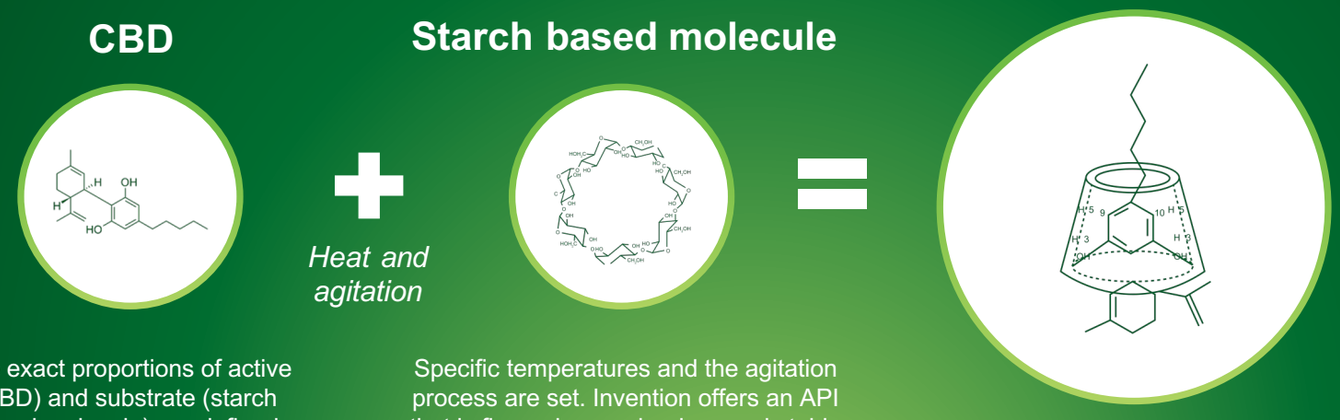


[1] Mannila, Jarvinen etal; Published online in Wiley InterScience (www.interscience.wiley.com)

Aqua Phase – Pharmacokinetic Studies

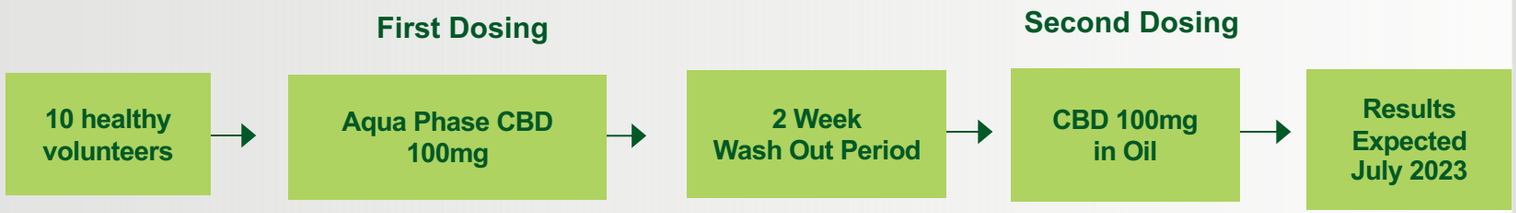
	Trial	Participants	Study	Endpoints
STUDY 1	Aqua Phase PK Study, bioavailability in capillary blood of CBD using Aqua Phase technology compared with CBD in Medium-chain Triglyceride (MCT) Oil	10	Two arm crossover of AquaPhase CBD 100mg OR CBD 100mg in MCT oil	**To assess and compare the absorption of both CBD formulations**
STUDY 2	Phase I Aqua Phase PK Study, bioavailability in venous blood of CBD using Aqua Phase technology compared with CBD in MCT Oil	12	Randomised, crossover study of AquaPhase CBD 100mg OR CBD 100mg in MCT oil	**To assess and compare the absorption of both CBD formulations**

Figure 1: *Schematic representation of the Aqua Phase CBD combination*

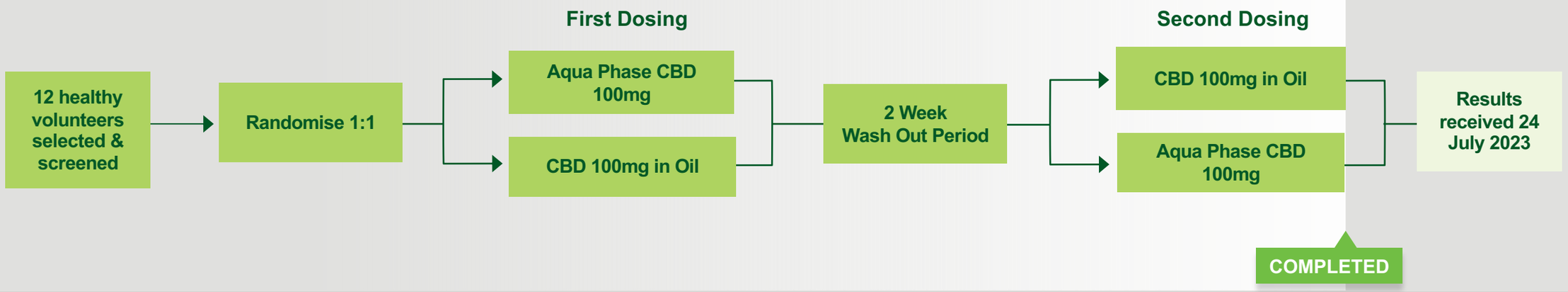


Aqua Phase Pharmacokinetic Studies Timelines

Aqua Phase PK Study, Bioavailability in Capillary Blood



Phase I Aqua Phase PK Study, Bioavailability in Venous Blood



Phase I Aqua Phase Results Summary

Pharmacokinetic (PK) analysis showed that Aqua Phase CBD statistically outperformed CBD oil

AQUA PHASE CBD

32%

Bioavailability

VS

CBD OIL

6-8%

Bioavailability

Total CBD availability (as measured by area under the curve, AUC) **showed that Aqua Phase CBD was statistically significantly greater than CBD oil by 311% (4.1x)**

AQUA PHASE CBD

30%

Bioavailability

VS

CBD OIL

6-8%

Bioavailability

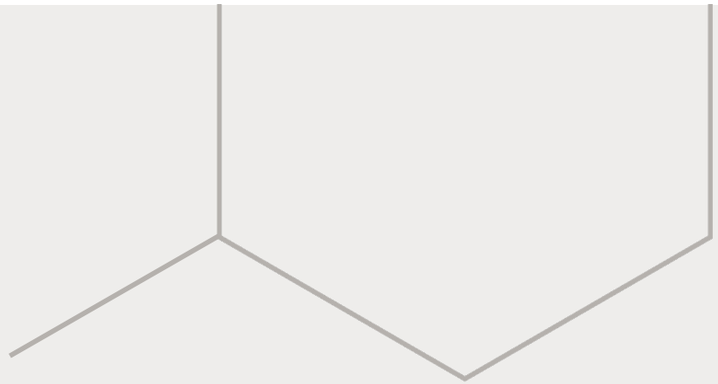
The maximum concentration (Cmax) **was also statistically significantly higher at 277% (3.8x) more than CBD oil**

Target Aqua Phase Drugs

July 2023

Target Drugs

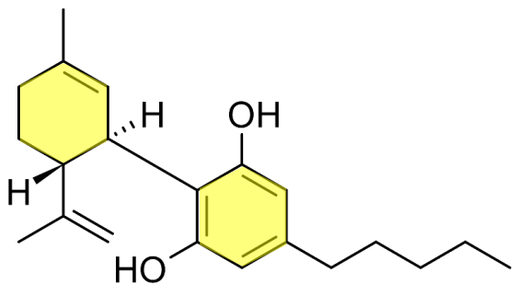
Aqua Phase works more effectively with guest molecules that have at least 1 cyclohexane ring - highlighted in yellow on the following structures.



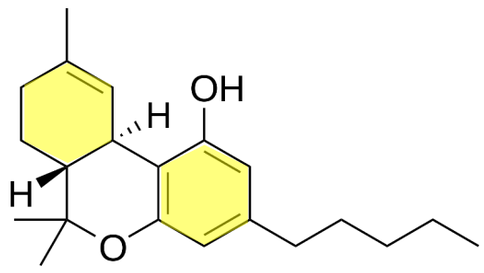
Complexing the following drugs with Aqua Phase will dramatically increase their solubility on aqueous solutions thus increasing bioavailability.

It also gives additional delivery options for these compounds.

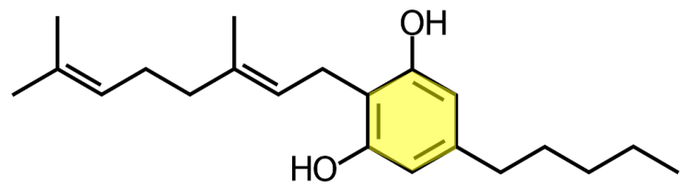
Cannabinoids



CBD



THC



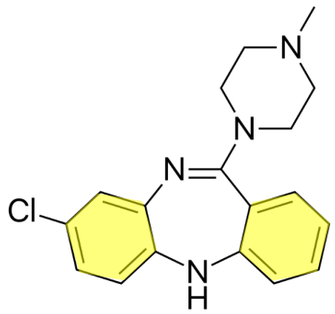
CBG

Global Market Valued at US$57.18BN in 2023[1]

Projected to grow to US$444.34BN by 2030[1]

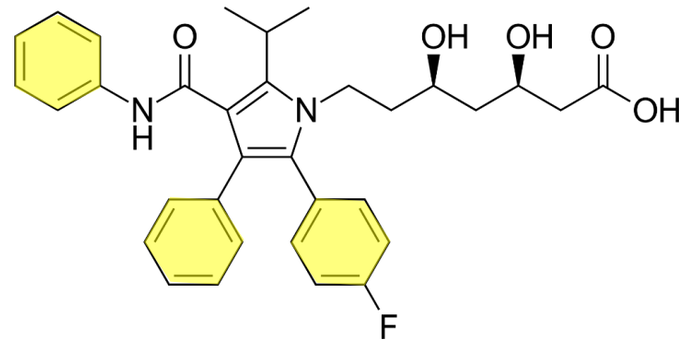
1 https://www.fortunebusinessinsights.com/industry-reports/cannabis-marijuana-market-100219

Pharmaceuticals



Clozapine (CNS)

Global Market Valued at US$349M in 2022[1]

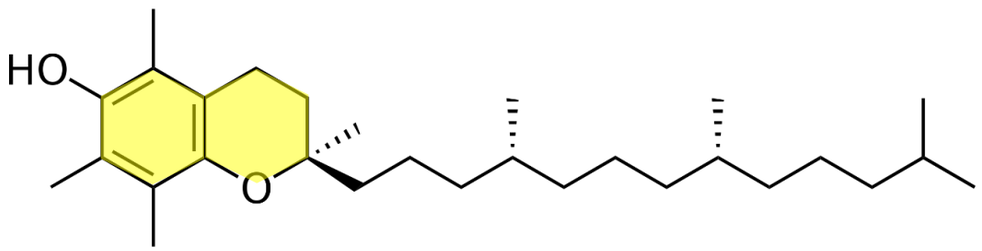


Atorvastatin (CVD) “Lipitor”

Global Market Valued at US$236.8M in 2022[2]

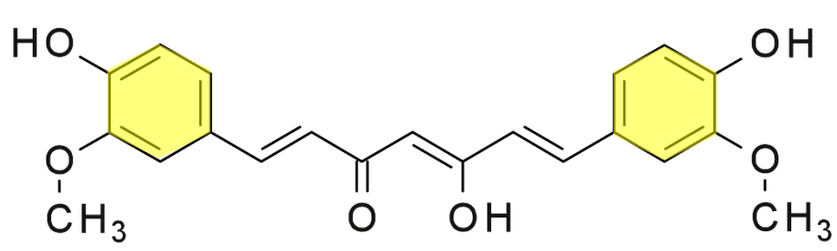
[1] https://www.marketwatch.com/press-release/global-clozapine-market-2023-2030-report-highlight-industry-potential-to-achieve-revenue-of-usd-349-million-2023-05-18
[2] https://www.businessresearchinsights.com/market-reports/atorvastatin-calcium-market-100455

Nutraceuticals



A-tocopherol “Vitamin E”

Global Market Valued at US$1.45b in 2022[1]



Curcumin “Turmeric”

Global Market Valued at US$80.8M in 2022[2]

[1] https://wemarketresearch.com/reports/tocopherol-mix-market/429/
[2] https://www.imarcgroup.com/curcumin-market#:~:text=The%20global%20curcumin%20market%20was,US%24%2080.8%20Million%20in%202022.

Aqua Phase Opportunities - Beyond Cannabinoids

Immediate Opportunities

- Leverage food and pharmaceutical applications for Aqua Phase with cannabinoids globally
- Licence AquaPhase powder and liquids containing CBD and other cannabinoids

Short-Term Opportunities (0-1 years)

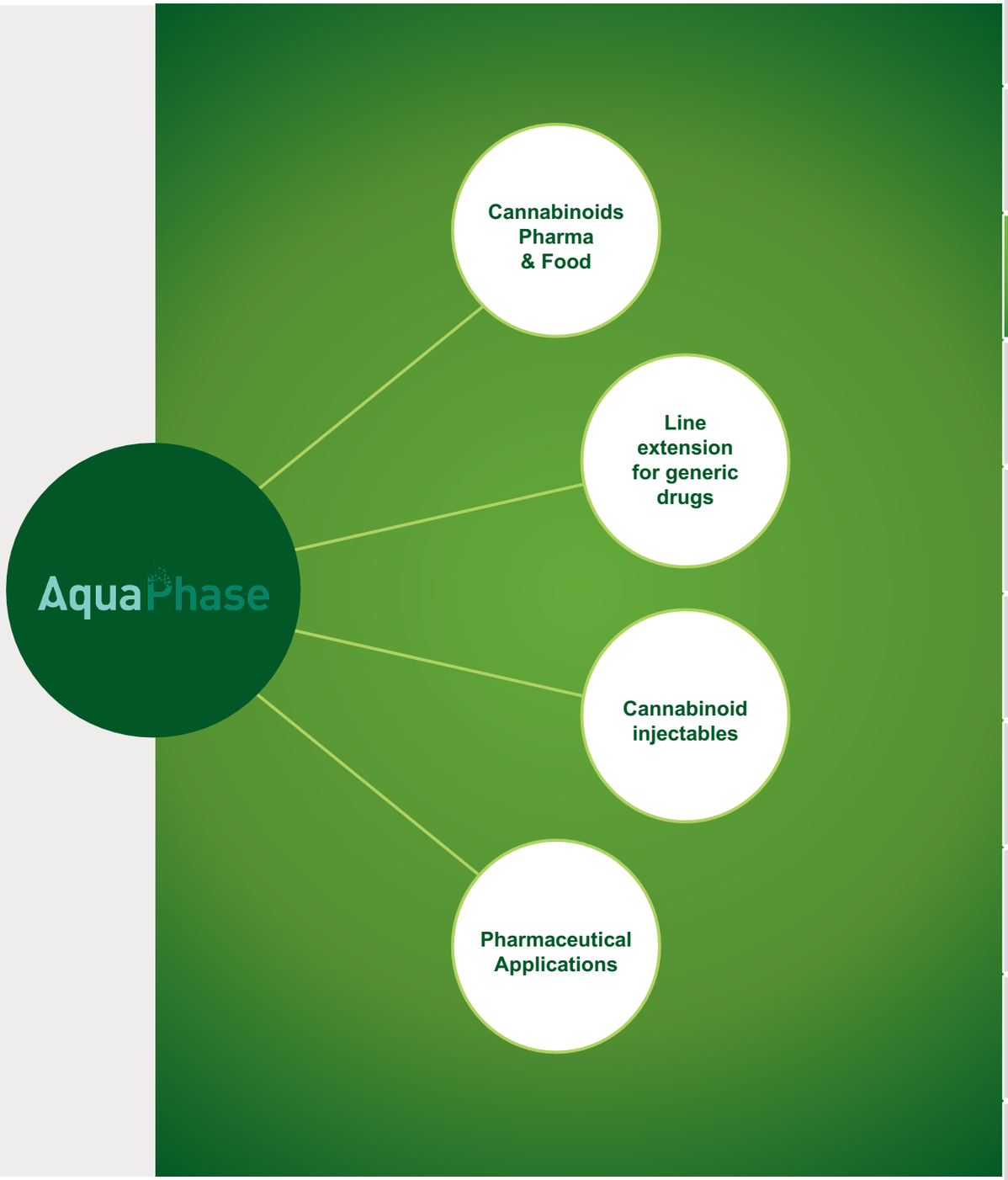
- License AquaPhase to existing pharmaceutical owners of products containing modified starch – agree licence arrangements to achieve line extensions
- Formulation of cannabinoid injectables e.g. pain management, skincare and botox

Medium Term Opportunities (1-3 years)

- Develop pharmaceutical applications for specific lipophilic compounds that are patentable:

  Initial focus

  - CNS (Clozapine)
  - Cardiovascular (Atorvastin)



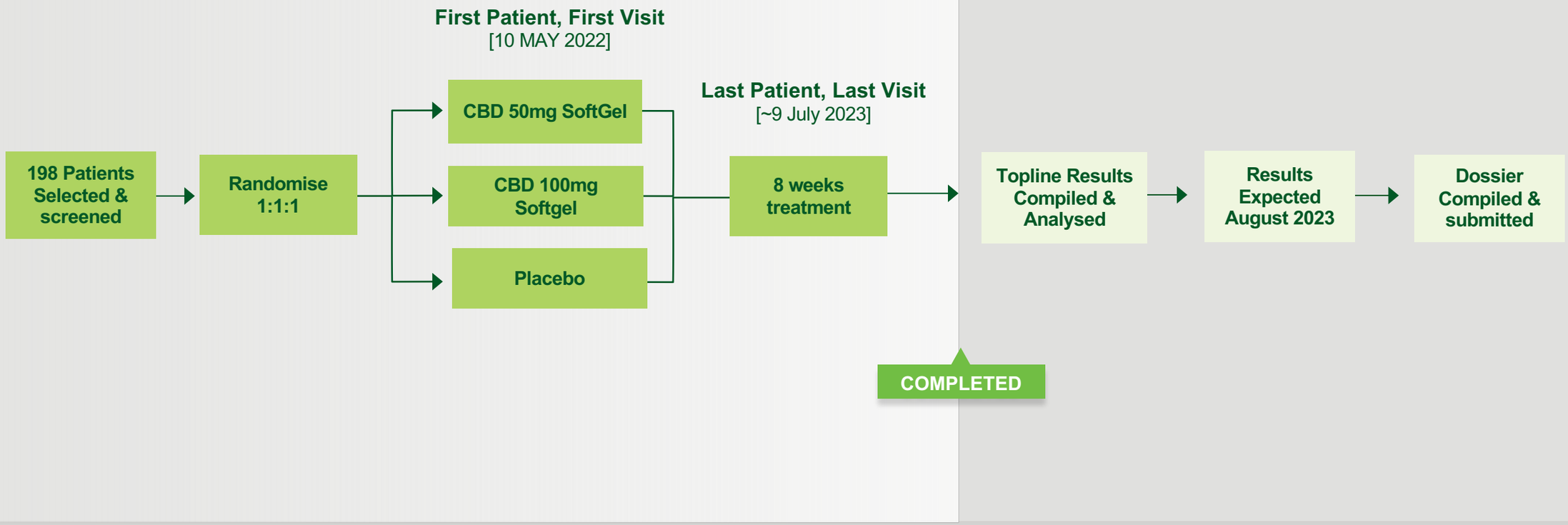
CAN-REST (Phase IIb) Insomnia Clinical Trial for Schedule 3 CBD

Phase IIB Insomnia Clinical Trial for Over The Counter (OTC) CBD Medication

Bod is targeting the delivery of the **first** Over the Counter (OTC) **Cannabis** product for the Australian Market. Successful ARTG registration would elevate Bod to be **one of only two companies globally** to have a registered Cannabis product (the other being Jazz Pharma)

- In conjunction with The Woolcock Institute of Medical Research, Bod is undertaking a clinical trial testing the efficacy of Bod's CBD Bioabsorb Softgel when used to treat insomnia for the OTC market in Australia
- An ARTG registration is granted under the TGA regime. It requires the submission of a dossier, including results of a gold standard clinical trial (double blinded placebo) and efficacy results relating to the primary end point
- An approval would have a significant impact on access for customers/patients with insomnia or sleeplessness disorders. The product would no longer require a prescription and will be available through pharmacies
- It would set the benchmark for future studies and submissions to the TGA and registrations of Cannabis products
- If successful, Bod will have first mover advantage in a significant market (being Australia), along with opportunities to utilize the dossier into other major markets

Phase IIB Insomnia Clinical Trial for Schedule 3 CBD Medication



Critical timeline for Bod's OTC Clinical Trial

Product sales via SAS-B market ahead of ARTG registration

Trial design

Unique formulas developed and clinical trial stock manufactured

Ethics approval

Study commenced and patient recruitment started

Patients qualified and enrolled

Exclusive licensing agreement secured

Study completed

JULY 2023

TGA dossier submitted

ARTG registration determined by TGA (within 12 months of submission)

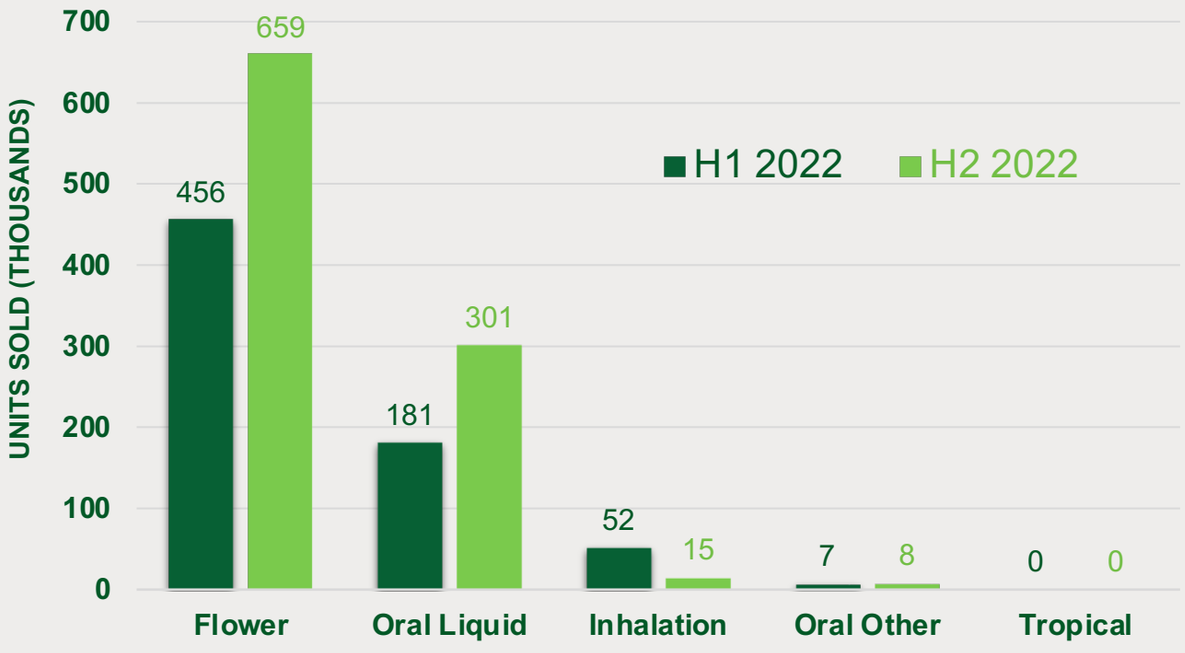
Product launched with Arrotex if successful

Opportunities to expand our medicinal cannabis portfolio

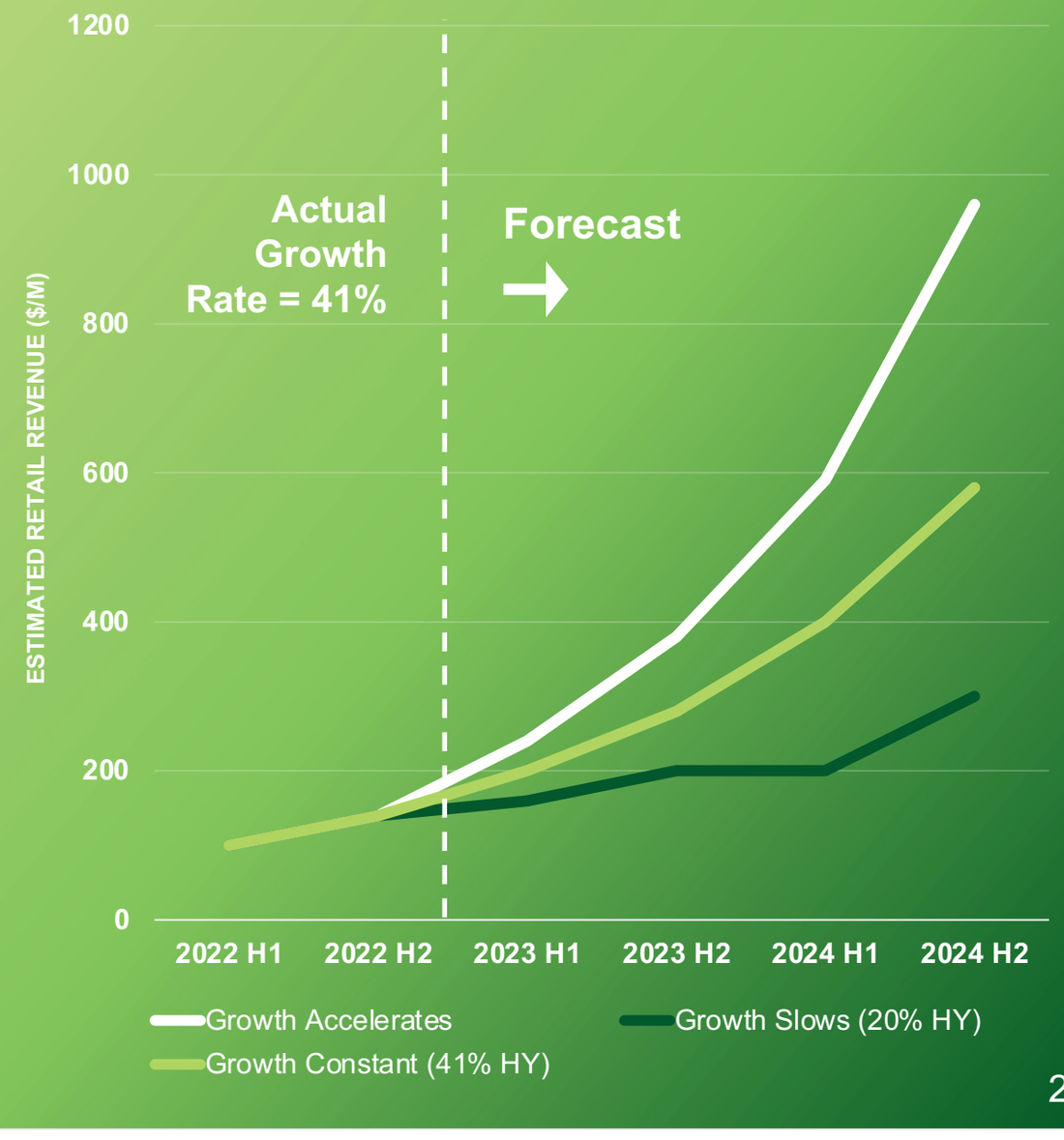
Driven by worldwide demand, Medicinal Cannabis is expected to surge at an annual growth rate of 42% from 2022 to 2024[1]

The **Australian** medical **cannabis market** retail value was estimated at **AUD $244m** in **2022** with Flower as dosage form contributing AUD **$156m** of total[1]

Units Sold by Dosage Form[1]



Australian Domestic Market Growth Forecast[1]



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

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 18 years' experience leading finance teams in ASX-listed companies.

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

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

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.

Near Term Value Drivers

1 **Completion of a PK study on Aqua Phase comparing with CBD in oil**	Validation of Aqua Phase, multiple commercialisation pathways
2 **Completion of Phase IIb study of CBD for Insomnia for TGA ARTG registration**	First mover advantage in estimated $200m+ Australian market. Potential to achieve registrations in other jurisdictions
3 **Expansion into the Malaysian market through collaboration with Antah Pharma**	Exclusive access to a new market. Lead on clinical trials to support market access
4 **Expansion of Medical Cannabis Product Portfolio**	Introducing a range of new medicinal products to support revenue growth

Investment highlights

Revenue Generating

Near term value catalysts will build on revenue opportunities across the business including the expansion of the medical cannabis product portfolio and market expansion

Near term value catalysts

Bod has a number of near-term value catalysts including the Can-Rest trial; successful completion of Aqua Phase Acquisition; market expansion into Malaysia; and additional strategic agreements with partners

World Class Technology

Strategic acquisition of ‘Aqua Phase’ offering world first drug delivery technology with superior bioavailability and solubility. Optionality to commercialize valuable assets within cannabis segment and beyond to unlock value though new products globally.

Capital Raising Details

Capital Raising Details

Structure and Size

Placement: to sophisticated and professional investors to raise $1.9 million, via the issue of 24.1 million utilising the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A. The Placement includes the issue of $150,000 worth of New Shares at the Offer Price to Director David Baker (see below).

Attaching Options: Participants in the Placement will receive one (1) unlisted free attaching option for every two (2) Securities allocated in the Offer, with an exercise price of 10c per option expiring 30 June 2024 ("Attaching Options). The Attaching Options will be issued under the Company's ASX Listing Rule 7.1.capacity.

Director Placement

Chairman David Baker (or a controlled entity) has committed to subscribe for $150,000 worth of New Shares under the Placement (being ~1.9 million 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$0.08 per New Share, representing:

- 27.3% discount to the last traded price on Monday, 31 July 2023 (A$0.11)
- 27.3% discount to the 5-day VWAP price (A$0.11)
- 17.1% discount to the 15-day VWAP price (A$0.0965)

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.

Lead Manager

Taylor Collison Limited is acting as Lead Manager to the Capital Raising. The Capital Raising is not underwritten.

Pro Forma Capital Structure and Use of Funds

Pro Forma capital structure

Ordinary shares on issue prior to the Capital Raising	153.1m
Undiluted market capitalisation pre Capital Raising[1]	$16.8m
Gross proceeds to be raised from Capital Raising	$1.9m
New Shares to be issued	24.1m
Shares on issue post Capital Raising	177.2m
Offer Price	$0.08
Implied market capitalisation (at Offer Price)	$14.2m
Pro-forma cash[2,3]	$3.8m
Performance Rights	0.5m
Options	12.5m

Intended use of funds

Sources	**A$(M)**
Capital Raising Proceeds	1.9
Total	**1.9**

Uses	**A$(M)**
R&D and working capital	1.8
Offer costs	0.1
Total	**1.9**

1. As at last close of $0.11 per share on Monday 31 July 2023.
2. Includes existing cash of $2.031 million at 30 June 2023 plus $1.9 million capital raise net of fees (excluding legal costs).
3. Cash balance prior to the acquisition of Aqua Phase

Capital Raising Timetable

Event	Proposed Date
Trading halt	Tuesday, 1 August 2023
Placement announced, trading halt lifted	Thursday, 3 August 2023
Settlement of the Placement	Wednesday, 9 August 2023
Allotment and trading of New Shares under the Placement	Thursday, 10 August 2023
Settlement of Director Placement[1]	Late November 2023
Issue of Shares under Director Placement[1]	Late November 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 approval at the AGM

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 it 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.

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.

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.

Key Risks - Company

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.

Aqua Phase Acquisition

As at the date of this Presentation, completion of the acquisition of Aqua Phase has not yet occurred. Completion is scheduled to occur on or around 8 August 2023. Completion is subject to the parties taking certain steps to complete the transfer of assets to Bod and the Inventors not breaching the Asset Purchase Deed. Until completion occurs, there is a risk that the acquisition will not proceed, in which case Bod would not acquire the Aqua Phase assets and would not make the completion payment.

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, 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 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;
- the potential ability to access various capital raising mechanisms within a relatively short time frame from existing and potential new Shareholders; and
- consideration from 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.

Key Risks - General

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.

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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