

Bod is a cannabis centric healthcare company. With a global focus and a mission to innovate and transform the way we live and enjoy life. Delivering premium, proven and trusted products for both the consumer markets and medical markets. Leading the way in research and development, through collaborations with research partners on clinical trial programs.

Committed to supporting the healthcare professional on Cannabinoid applications with education, research and knowledge.

#### CAPITAL STRUCTURE

ASX code **BDA**  
 Shares on issue 105.8m  
 Market Capitalisation ~\$35.5m

#### BOARD & MANAGEMENT

Mr Mark Masterson  
 Non-Executive Chairman

Ms Jo Patterson  
 Chief Executive Officer

Mr Akash Bedi  
 Non-Executive Director

Mr George Livery  
 Non-Executive Director

Mr Patrice Malard  
 Non-Executive Director

Mr Simon O'Loughlin  
 Non-Executive Director

Mr Stephen Kelly  
 Company Secretary

#### CONTACT

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## Quarterly Activities Report: Q4 growth underpins record FY2021

- Receipts from customers of \$2.24m, highlight an increase of 20% on previous quarter (Q3 FY2021: \$1.87m)
- Takes total unaudited receipts from customers during FY2021 to \$6.62m – an 83% increase on previous corresponding period (FY2020: \$3.63m)
- FY2021 unaudited total revenue of \$7.4m with an additional \$935,000 in binding purchase orders on hand at the end of the period – a 23% increase on FY2020 (FY2020: \$6.0m)
- Net cash used in operating activities down 11% on previous quarter to \$1.17m (Q3 FY2021: \$1.32m)
- 4,441 Medicinal cannabis product units sold during the quarter, a 17% increase on the previous quarter (Q3 FY2021: 3,805)
- Takes total medicinal cannabis products sold during FY2021 to 12,187 – an 212% increase on previous corresponding period (FY2020: 3,907)
- First binding purchase order for US market secured for CBII range with expansion initiatives underway across the United Kingdom through new stockists
- Strong cash balance of \$8.07m leaves Bod very well positioned to continue growth trajectory

**Sydney, Australia – 15 July 2021:** Medicinal Cannabis, CBD and hemp healthcare products company, Bod Australia Limited (“Bod”, or “the Company”) (ASX: BDA) is pleased to provide this update to shareholders for the quarter ended 30 June 2021 (Q4 FY2021).

The Company continued to achieve strong growth during the quarter, underpinned by an increase in sales of its medicinal cannabis products, product launches across both operating divisions and new market entries through exclusive global partner, Health & Happiness Group Limited (HKSE: 1112, “H&H”).

#### Corporate overview:

Receipts from customers for the period were \$2.24m, which marks a 20% increase on the previous quarter (Q3 FY2021: \$1.87m). Total unaudited receipts from customers during FY2021 were \$6.62m, which marks an 83% increase on FY2020 (FY2020: \$3.63m). Growth during Q4 FY2021 has contributed to Bod’s total unaudited FY2021 revenue of ~\$7.4m, a 23% increase over the previous corresponding period (FY2020: \$6.0m). Bod also had a total of \$935,000 in binding purchase orders on hand at the end of the period, which are expected to be delivered in the coming weeks.

Net operating cash burn for Q4 FY2021 was \$1.17m, down 11% on the previous quarter (Q3 FY2021: \$1.32m) due to increased customer collections and lower R&D expenses. Product manufacturing and operating costs increased 13% on the previous quarter to \$2.07m, which is related to payments made for raw materials for existing binding purchase orders.

Bod retained a strong cash balance of \$8.07m at the end of the quarter, providing considerable financial flexibility to continue its growth trajectory. During the period, the Company made payments totalling \$0.19m to related parties representing remuneration paid to directors.

#### Management commentary:

**CEO Jo Patterson said:** “Bod has continued to achieve strong growth over the quarter and FY2021 across both of its operating divisions. The increases in receipts from customers, as well as overall revenue are very pleasing and this upward trajectory will continue over the coming months and fiscal year ahead.

*"At the end of the quarter, the Company had an additional \$935,000 in binding purchase orders on hand. These relate to orders from H&H for both Italy and the US. While these were expected to be finalised and included in FY2021, production processes with H&H took slightly longer than anticipated. Despite this, we anticipate that these orders will be delivered in the current quarter providing Bod with another revenue channel."*

*"We continue to receive a very high demand for our medicinal cannabis product suite. We have added a number of products under our established brand recently and expect that scale up of operations in both Australia and the UK will lead to a further increase in sales."*

*"The Company remains very well positioned with over \$8m cash at hand. These funds will provide Bod with the necessary financial flexibility to pursue its growth objectives, including ongoing R&D initiatives, product development and new market entries."*

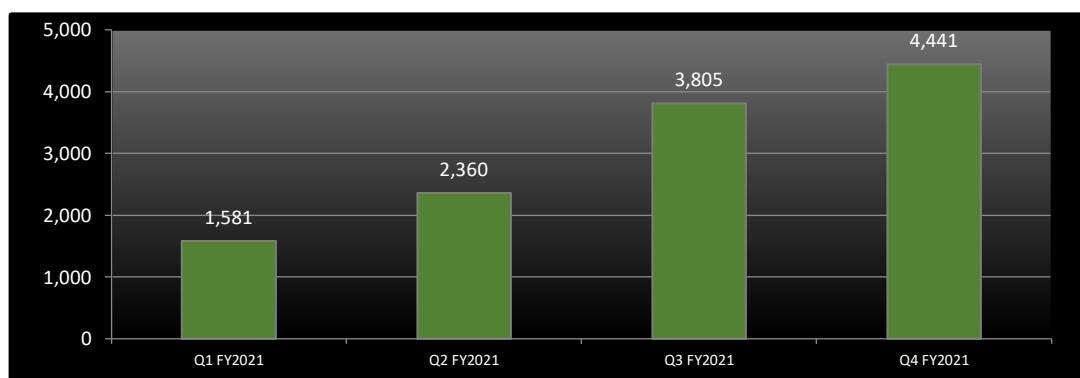
#### **Medicinal cannabis sales growth:**

Bod sold a total of 4,441 medicinal cannabis product units during the quarter, a 17% increase on the previous quarter (Q3 FY2021: 3,805). This takes the total medicinal cannabis product units sold during FY2021 to 12,187, highlighting a 212% increase on the previous corresponding period (FY2020: 3,907).

During the quarter, Bod retained 55% of the total market share for full plant high CBD products, which allowed the Company to capture 46% of this total market during FY2021. 63% of medicinal cannabis products sold during the quarter were the result of repeat prescriptions, highlighting the overall quality of Bod's medicines as well as doctor and patient satisfaction.

Growth over the quarter and FY2021 period was strengthened by the Company's nation-wide clinical study investigating the efficacy of Bod's medicinal cannabis products when prescribed for debilitating conditions including insomnia, post traumatic stress disorder and anxiety, as well as ongoing educative initiatives with healthcare professionals.

The upward trajectory in medicinal cannabis product sales is expected to increase during the current quarter as the Company progresses new product launches and scales up operations in the United Kingdom and Australia.



**Image one:** Quarterly medicinal cannabis product sales growth during FY2021

#### **First binding purchase order secured for US market entry:**

The Company received a maiden A\$312,000 binding purchase order from exclusive global partner, Health & Happiness Group Limited ("H&H") for CBD products for the US market. This is the first of multiple binding purchase orders expected and marks the commencement of Bod's US expansion.

Bod are currently manufacturing three full spectrum CBD oil products, for the US market. These products are the first of a large range, which will be launched in the coming months under premium CBD brand CBII ([www.cbiiicbd.com](http://www.cbiiicbd.com)).

Bod and H&H will launch the CBII range directly to consumers through ecommerce platforms. H&H will initiate marketing and brand campaigns to drive product uptake and awareness in the US, as well as manage distribution, considerably reducing Bod's cost base. Bod will receive a royalty on net product sales, as well as a cost plus margin for the supply of the finished goods, unlocking more revenue streams.

### **New medicinal cannabis product launched to support UK sales growth:**

Bod launched a new cannabigerol (CBG) product, which will be sold under the MediCabilis brand as MediCabilis™ CBG 50 in the United Kingdom.

CBG is a non-intoxicating cannabinoid compound in the cannabis plant, which holds strong therapeutic potential for use in broad therapeutic applications. Preliminary research indicates that CBG has unique pharmacological actions and has the potential to address alternative therapeutic areas to THC and CBD. CBG has a different chemical structure to CBD and THC and will bind onto specific cell receptors for different therapeutic targets.

Bod introduced the product following R&D assessments, with the launch as part of the Company's approach to developing specific cannabis cultivators and product formats for current and future new product development. While the market for CBG is in its early stages, it is expected to grow significantly in the coming years.

The launch of MediCabilis™ CBG 50 leaves Bod well placed to capitalise on the growing market for CBG products, the UK medicinal cannabis market more broadly, and will provide Bod with a first-mover advantage. Initially, the Company will focus on launching the product in the UK, through select doctors and healthcare physicians. The introduction of MediCabilis™ CBG 50 is expected to support incremental market growth across the region, and provide additional R&D and clinical research opportunities.

### **UK sales footprint considerably broadened and new CBII product launches:**

The Company significantly broadened its sales footprint in the UK through two new online retailers and additions to the CBII product range during the period. Bod's CBII range will now be stocked with Europe's number one online premium health and beauty retailer Lookfantastic, as well as Feelunique, one of Europe's leading premium ecommerce beauty retailers.

Lookfantastic is one of the most successful beauty websites globally, stocking 660 premium brands and shipping to over 200 countries. Its UK website generates over 10 million visits per month. The group has grown revenue share 40% year on year for the last three years and is underpinned by unrivalled technology, supply chain management and a team of world-class experts in the beauty and healthcare space. The group will initially focus on the sale and distribution of CBII products throughout the UK, with CBII and Lookfantastic exploring opportunities to expand into other markets where CBD is legally permissible to sell.

Feelunique was founded in 2005 and has become one of Europe's leading beauty retailers. It stocks over 30,000 products and drives over five million unique visitors per month. Feelunique will stock Bod's CBII range in its exclusive online marketplace, which is a designated online area.

The two new stockists considerably broaden CBII's brand exposure in the UK, as well as increasing reach and the potential customer base. The new retailers come following the Company's extension of its CBII product range. The range now includes home fragrances and new CBD-based skincare products (refer images overleaf), taking the total number of SKUs available to 17. To keep up with the growing demand for Bod's unique products, an additional three CBII products will be launched in the coming months.

### **Outlook:**

Bod is focused on a number of revenue generating objectives and growth initiatives during the current quarter and beyond. These include:

- Further growth in medicinal cannabis product sales and new market entries;
- Launch of new products in the Australian medicinal cannabis market;
- New product launches under the CBII brand in the US, UK and other established markets;
- Commencement of the Company's trial to test the efficacy of its medicinal cannabis product suite in the treatment of Long COVID-19; and
- Ongoing clinical trial and R&D initiatives, which will be used for future product development and potential licencing agreements.

- ENDS -

## ABOUT BOD AUSTRALIA

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With a global focus and a mission to innovate and transform the way we live and enjoy life.

Delivering premium, proven and trusted products for both the consumer markets and medical markets.

Leading the way in research and development, through collaborations with research partners on clinical trial programs.

**This announcement was authorised for release by the Board of Directors of Bod Australia Limited.**

**For more information please contact:**

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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Bod Australia Limited

**ABN**

89 601 225 441

**Quarter ended ("current quarter")**

30 June 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,246	6,626
1.2 Payments for		
(a) research and development	(277)	(1,581)
(b) product manufacturing and operating costs (relating to the sales recorded above and purchase orders)	(2,072)	(7,197)
(c) advertising and marketing	(126)	(388)
(d) leased assets	-	-
(e) staff costs	(835)	(3,298)
(f) administration and corporate costs	(132)	(851)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	32
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	802
1.8 Other (royalty/development fee revenue)	14	64
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,179)</b>	<b>(5,791)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	8,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(528)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>7,472</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	9,246	6,386
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,179)	(5,791)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	7,472

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>8,067</b>	<b>8,067</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	6,067	3,246
5.2	Call deposits*	2,000	6,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>8,067</b>	<b>9,246</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

190

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

**Total facility  
amount at quarter  
end  
\$A'000**

**Amount drawn at  
quarter end  
\$A'000**

-	-
-	-
-	-
-	-

**7.5 Unused financing facilities available at quarter end**

-

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Not applicable

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,179)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	8,067
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	8,067
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>7</b>

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

**Not applicable**

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

**Not applicable**

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

**Not applicable**

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **15 July 2021**

Authorised by: **The Board of Directors**