

Record FY2020 financial result positions Bod for growth

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 91.4m
 Market Capitalisation ~\$25.6m

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

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- Revenue up 350% on PCP to \$6.1m (FY2019: \$1.34m)
- Cash burn continues to decrease (see image 2) – disciplined focus on costs brings Bod closer to cashflow positive position
- Strong revenue growth continuing in FY2021 driven by recurring revenue, new product launches, further international expansion.

Sydney, Australia – 21 August 2020: Medicinal cannabis, CBD and hemp healthcare products company, Bod Australia Limited (“Bod”, or “the Company”) (ASX: BDA) is pleased to provide this commentary to accompany the release of the audited financial results for the 12 months ending 30 June 2020 (FY2020).

Financial summary:

Revenue and other income for the period totalled \$6.1m, a 350% increase on the prior corresponding period (PCP) (FY2019: \$1.34m), and was driven by growth in sales of Bod’s hemp based products in Australia and CBD products in the United Kingdom, and increased prescription volumes being filled for the Company’s MediCabilis™ product.

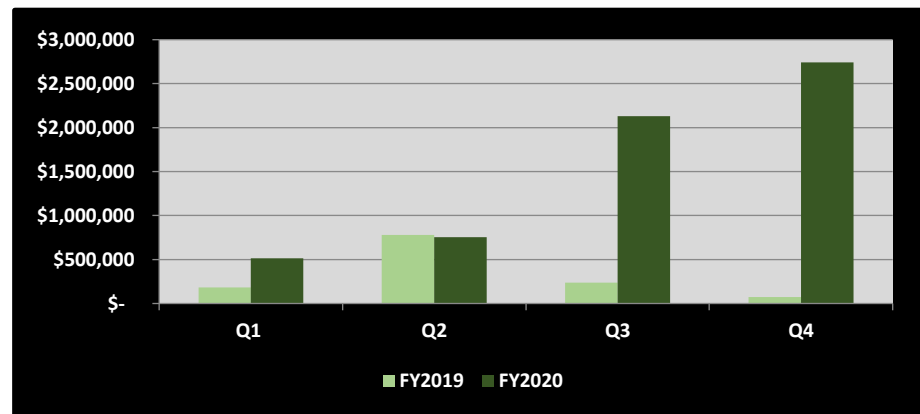


Image one: FY2019 revenue and FY2020 quarterly revenue comparison

The loss after income tax was \$4,819,140, a 37% decrease on FY2019 (FY2019: \$7,623,571). The Company managed to reduce its loss through stringent cost management in areas such as marketing spend, reduced from \$2,022,172 to \$864,753.

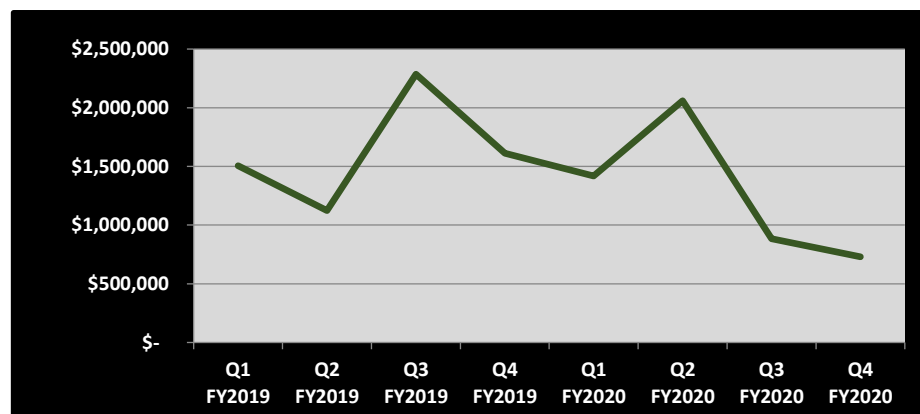


Image two: cash used in operating expenses (FY2019 – FY2020) (zero represents cashflow breakeven point)

Bod expects that revenue will further increase during FY2021, driven by recurring sales orders, new product launches and international expansion. The Company will maintain focus on reducing its operating expenditure, allowing it to pursue a cashflow positive position.

Well-placed to continue rapid growth in FY2021:

Following the Company's exclusive global agreement with Health & Happiness Group Ltd (H&H Group, HKSE: 1112) announced in July 2019, Bod has developed a number of new CBD and hemp products that are being sold under new and existing H&H Group brands. The launch of these new products, coupled with ongoing uptake of the Company's MediCabilis™ product in Australia and UK, has allowed the Company to create a stable and growing revenue base, which will increase during FY2021 and beyond.

Bod has several growth initiatives planned for its CBD and hemp business division, which include product range extensions, new product launches and new market entries into the USA and countries throughout Europe. As well, the Company expects MediCabilis™ prescription sales to grow in Australia and the United Kingdom through new partnerships and as new patients are enrolled in Europe's largest medicinal cannabis registry Project Twenty21 (refer ASX announcement: 8 November 2019).

Management commentary:

CEO Jo Patterson said: "Bod made excellent progress in FY2020 which is well reflected in these financial results. While top line growth is our key focus, we have been vigilant managing the cost base, only deploying funds into value accretive initiatives that will drive future product development and underpin continued revenue growth. This is important as the Company continues to move towards a cashflow positive position.

"We have established a very solid foundation to continue growing at similar rates driven by our diversified revenue streams, exposure to multiple markets, a growing portfolio of products and strong brands, a robust supply chain and excellence in product development. As such, we are exceptionally well-placed for FY021 and beyond. Organic growth is our main focus but we also continue to assess revenue-generating acquisitions that complement existing operations. Bod's strong balance sheet gives the Company a major strategic advantage in the current market."

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ABOUT BOD AUSTRALIA

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This release has been authorised by the Board of Directors of Bod Australia Limited.

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